

Financial Goals & Policies

Resolution No. 3246

The City of Bremerton is accountable to its citizens for the efficient use of public dollars. Resources entrusted to the City should be used in a manner that provides services, public facilities, and infrastructure necessary to meet the needs of the community – both for today and for the future. The following financial goals and policies establish a framework of financial health and stability that is required to meet those expectations.

The goals expressed here define what constitutes a “good outcome” for the city in regards to financial planning and decisions. Goals indicate the objectives - while the policies describe actual boundaries (or measurable) that are deemed necessary to achieve those goals.

Goals for Financial Sustainability –

- Diversified annual resources that are sufficient to provide for the regular and ongoing operations associated with core city services – plus enough additional margins to cover debt service requirements and normal (average) ongoing capital expenditures.
- Debt financing should be used to smooth the effects of unusual or significant amounts of capital expenditures and/or to finance facilities that are dedicated to the benefit of limited users (for example – Local Improvement District “LID”).

Policy -

- The budget and financial plans of the City

shall balance recurring operating expenses, debt service, and average ongoing capital requirements to recurring operating revenue. Average ongoing capital requirements are defined to include payments necessary to the various Internal Service funds (i.e. ER&R, and Information Technology) and average recurring capital expenditures.

- Before the City undertakes capital expenditures or accepts grant funds, the ongoing costs and commitments should be described fully including identification of the revenue sources expected to provide for such ongoing costs- so that proper consideration may be given to the longer term financial sustainability of the project or commitment.
- Where possible, grants or contributions of capital will be identified for proposed City expenditures.
- Deficit financing and borrowing will not be used to support on-going City services and operations. Expenses will be reduced to conform to the long-term revenue forecast. Interfund loans are permissible to cover temporary gaps in cash flow, but only from moneys in excess of anticipated cash needs throughout the duration of the loan and legally available for investment. All loans shall be supported by a clear expectation and schedule for repayment. Interest shall be assessed based on the cur-

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rent Washington State Local Government Investment Pool rate unless the borrowing fund has no other source of revenue other than the lending fund; or the borrowing fund is normally funded by the lending fund.

- Cash balances in excess of the amount required to maintain strategic reserves may be used to fund one-time or non-recurring costs. Preference should be given to uses that reduce ongoing expenses (for example - early retirement of debt).
- Replacement Reserves based on expected replacement cost will be collected and placed in the Equipment Rental and Reserve Fund (ER&R) for equipment (other than computer equipment) or vehicles (other than fire engines) with a value of \$20,000 or more if it is expected to be a continued need beyond its estimated initial useful life. The cost of computer equipment replacement will be included in the annual payments made to the Information Technology Fund (IT) for each computer by its using department. These payments are based on an expected five-year replacement schedule. In addition to ER&R and IT, other internal service funds may be established to appropriately account for and collect expenses for specific costs with the approval of the Mayor and the City Council. An amount equal to the annual fractional estimated cost of replacements based on the expected useful life of assets will be included in the service charges paid by City departments to the various Internal Service funds (i.e. Equipment Rental & Reserve fund and Information Technology). Replacement cost will be reevaluated periodically throughout the life of the asset and replacement reserve charges adjusted accordingly. Assets with an initial value less than \$20,000

may be included in the Equipment Rental and Reserve Fund upon request by the using department with the approval of the Director of Public Works and Utilities and the Director of Financial Services.

- Long-term borrowing will be confined to significant capital improvements (or similar projects) which have an extended life and when it is not practicable to be financed from current revenues. All other available and appropriate sources of financing should be exhausted before long term borrowing is pursued.
- Bonds cannot be issued for a longer maturity schedule than a conservative estimate of the weighted average useful lives of the assets to be financed. The City will keep the average maturity of general obligation bonds at or below twenty years.
- Where possible, the City will use special assessment revenue, or other self-supporting bonds instead of general obligation bonds.
- The City Utility Systems shall strive to maintain a minimum debt service coverage (annual gross revenues less annual operating and maintenance expenses divided by annual debt service) of the combined Utilities (Water, Wastewater, Stormwater) of at least 1.5x.

Goals for Financial Flexibility –

- Sufficient operating reserves (working capital) to manage monthly and daily cash flow variability.
- Adequate liquidity to provide for limited interruptions in revenues (natural disasters, unexpected loss of revenue source, etc).
- Contingency and reserve funds should be

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available for use in the event of emergency and/or unforeseen events.

- Resources *restricted* by external sources or enabling legislation should be used first, then unrestricted resources as needed. Unrestricted resources should be reduced in the following order: funds *committed* by ordinance, funds *assigned* or earmarked for a particular purpose, and then *unassigned*.

Policy –

- The City will maintain reserves required by law, ordinance, and/or bond covenants.
- The City will strive to maintain ending cash and investment balances in the General Fund of no less than 8.5% of total planned annual operating expenses.
- The City will strive to maintain ending cash and investment balances of no less than 12% of total planned annual operating expenses for the Gold Mountain Golf Complex, Water Utility, Wastewater Utility, and Stormwater Utility.
- The City shall strive to maintain a minimum reserve fund balance in the Self Insured Health and Welfare Reserve Fund of at least four months of Program expenses or at an amount recommended by an independent actuary, whichever is greater.
- The City will strive to maintain a balance of at least the equivalent of thirty-seven and one-half cents per thousand dollars of assessed valuation of property within the City in the Contingency Reserve fund as a provision for unforeseen or catastrophic events and emergencies.

Goals for Stewardship of Public Funds –

- Maintain public trust and confidence by utilizing resources in the most efficient manner possible.
- Expenditures should be necessary to either:
 - ◊ meet regulatory requirements
 - ◊ provide core city services
 - ◊ contribute to the achievement of stated goals and policies
 - ◊ or undertaken in anticipation of an emerging requirement.

Policy –

- Budget managers will provide sufficient documentation to support requested budget appropriations and in a manner that clearly demonstrates that the expenditure is necessary to either meet regulatory requirements, provide core city services, or contributes to the achievement of stated goals or policies of the City.
- A comprehensive multi-year (minimum of six years) plan for City capital improvements will be prepared and updated annually. The Capital Improvement Plan will be consistent with and support the City's Comprehensive Plan. The Comprehensive Plan service level goals should be included in the Capital Improvement Plan.

Goals for Accountability –

- Reports demonstrating the status of finan-

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cial activity and results should be prepared on a timely basis and in compliance with BARS and GAAP accounting requirements.

- Reports showing the status of financial policy compliance should be provided periodically.
- Ensure the legal use of public assets through an effective system of internal controls. To ensure all local, state, and federal rules are followed.

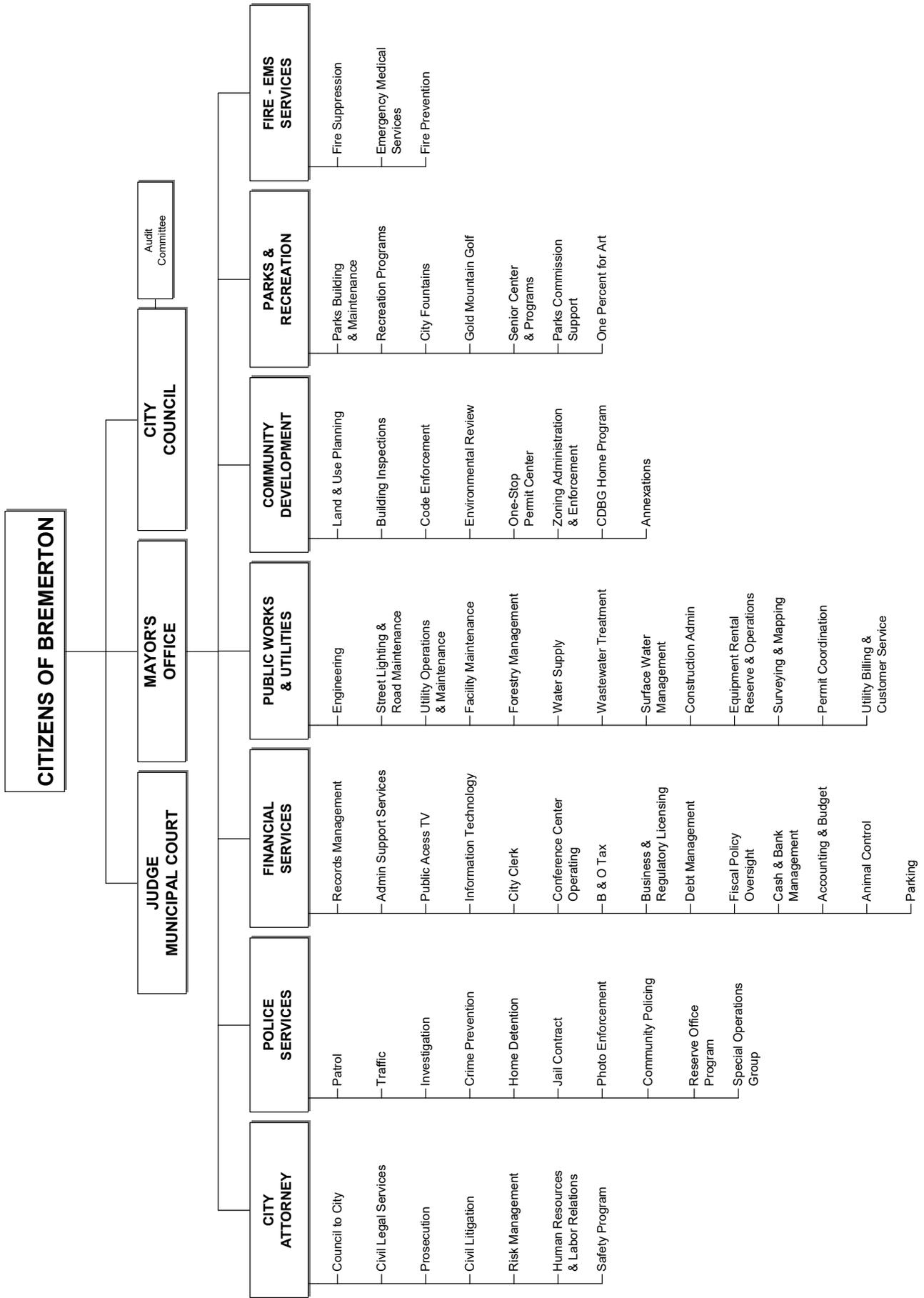
Policy -

- An annual audit will be performed by the State Auditor's Office and include the issuance of a financial opinion. A Comprehensive Annual Financial Report shall be prepared in accordance with generally accepted accounting principles (GAAP) and shall be distributed to the City Council, Mayor, Director of Financial Services, Department Directors, City Audit Committee, and any other interested party.
- Quarterly a budget status report will be prepared and distributed to the City Council, Mayor, and Department Directors providing an overview of financial activities for the City with comparison to the approved budget. Information on the status of compliance with financial policies will be provided in this report.
- Regular monthly financial statements will be prepared on a timely basis and posted for review on the City's internet and intranet site.
- The City will maintain a budgetary control system to ensure compliance with the approved budget.

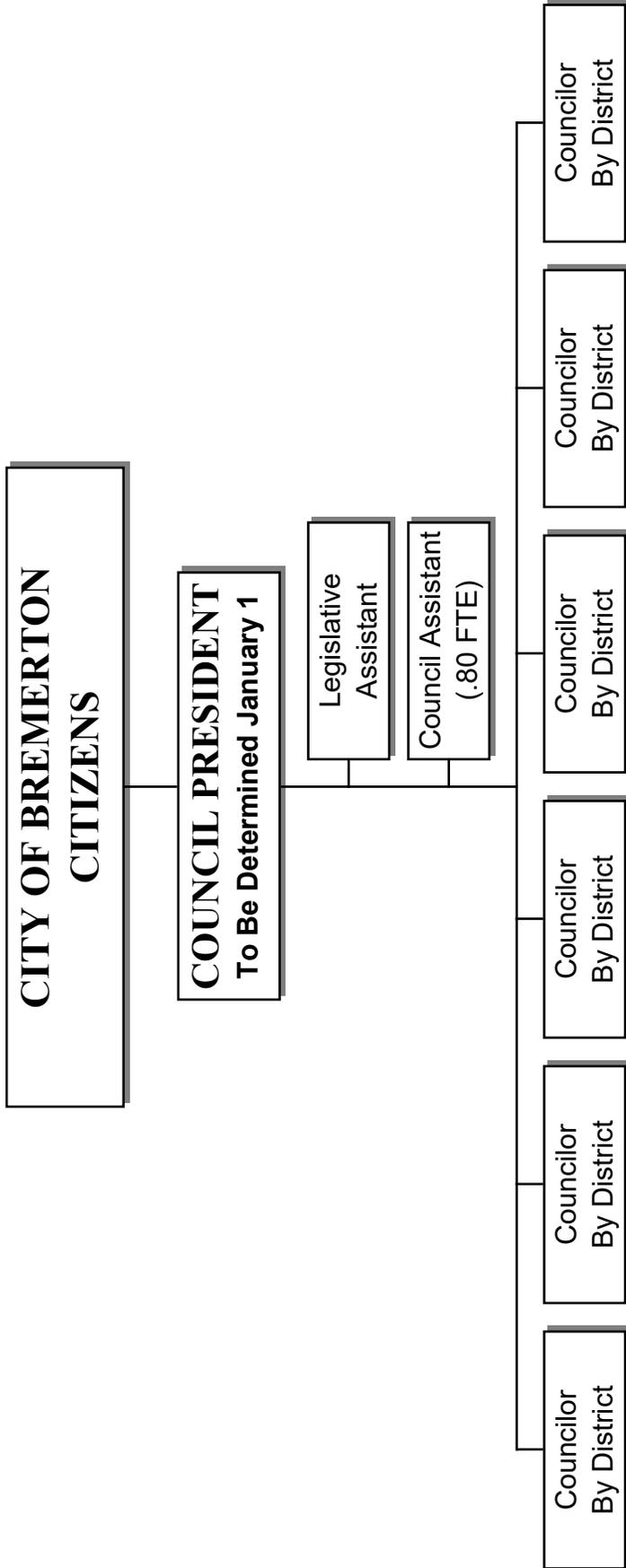
- The City will maintain adequate internal controls to safeguard public assets. The Director of Financial Services will work cooperatively with the City's Internal Auditor and the Audit Committee to identify and address material deficiencies in internal controls.

- The City shall manage and invest its residual cash through the City Treasurer on a continuous basis in accordance with the City's investment policies and within the guidelines established by the Washington State Statutes based upon the following order of priorities: 1) safety, 2) liquidity, and 3) yield.

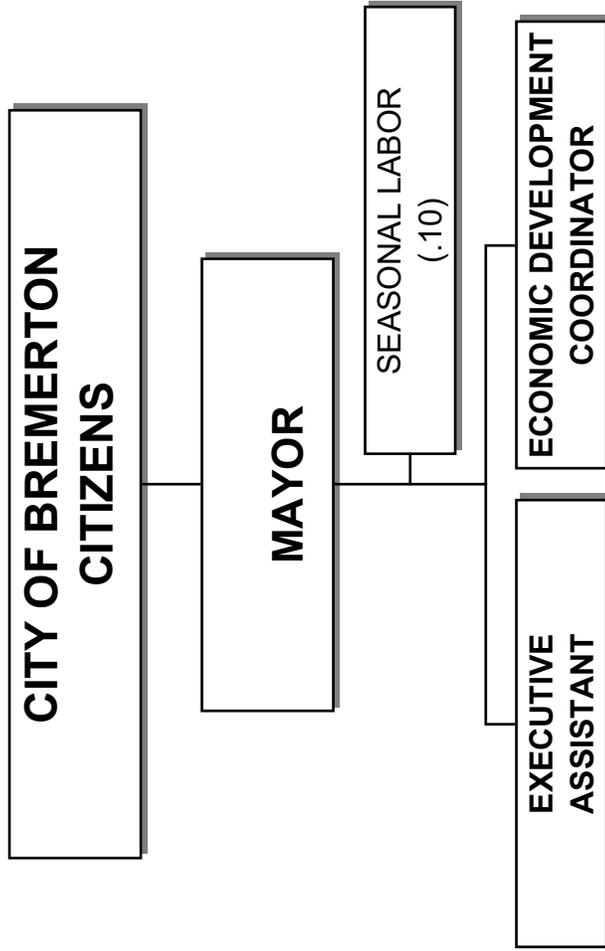
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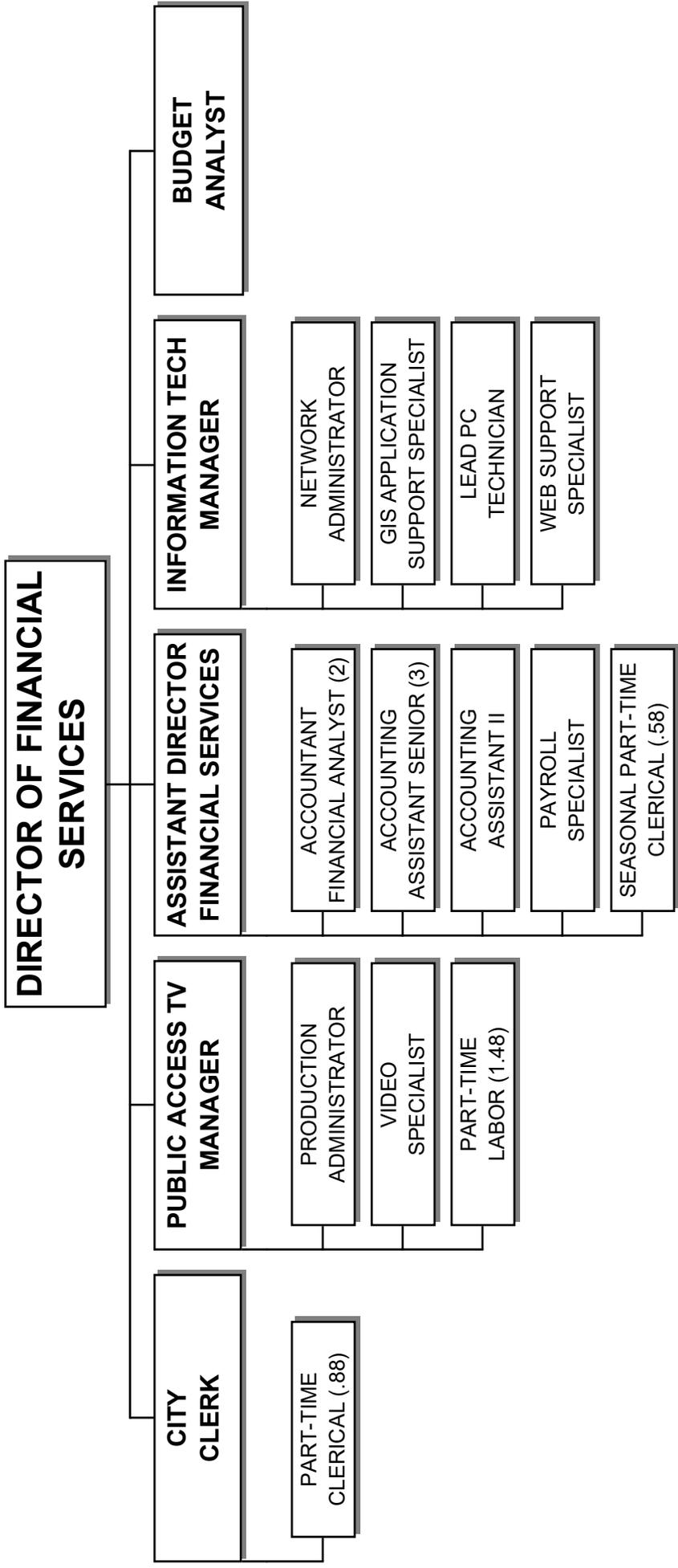
CITY COUNCIL



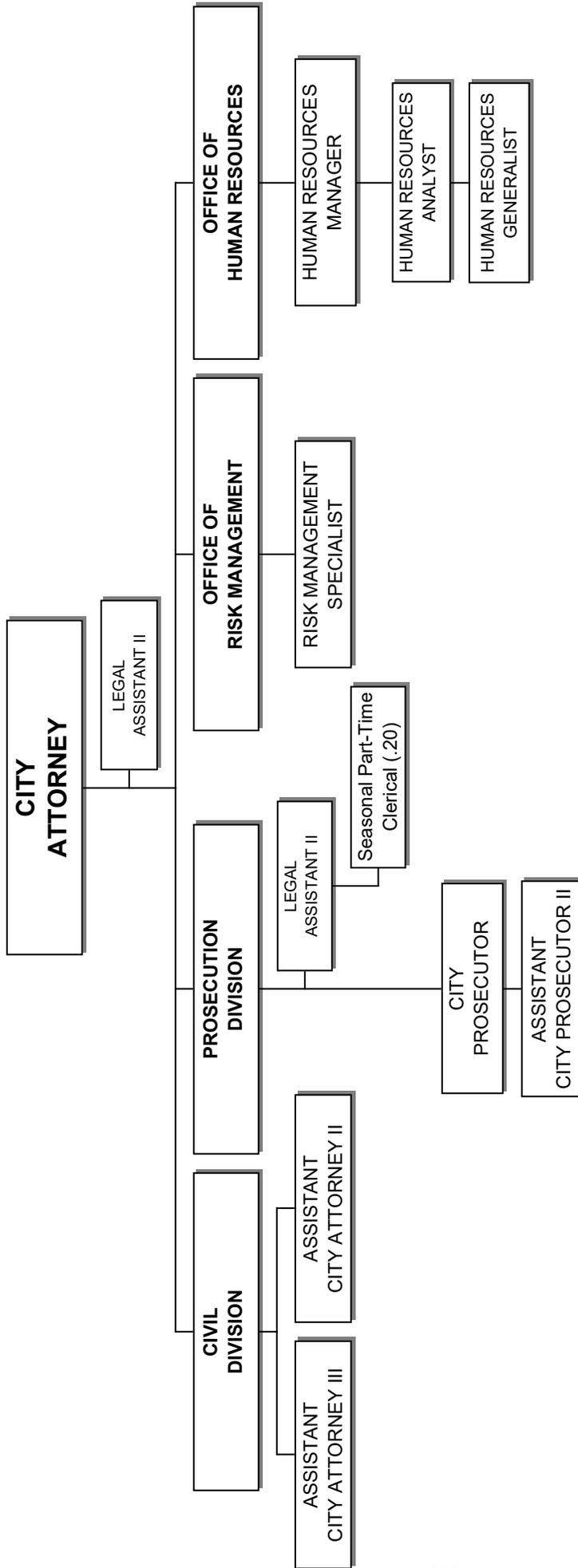
EXECUTIVE DEPARTMENT



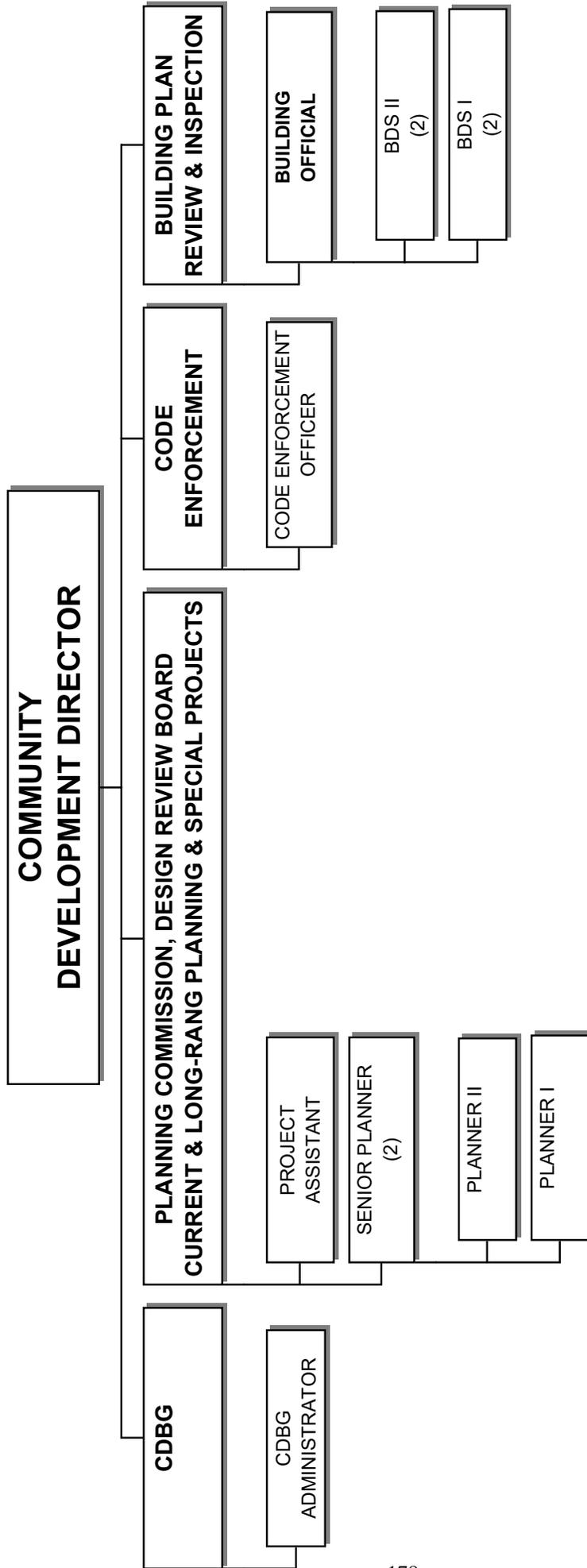
DEPARTMENT OF FINANCIAL SERVICES



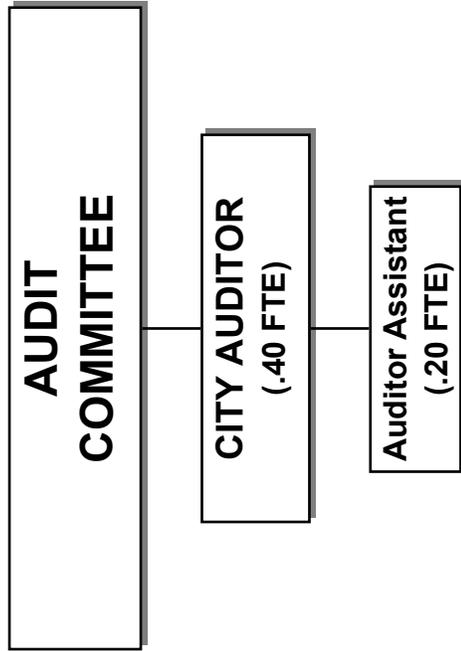
CITY ATTORNEY'S OFFICE



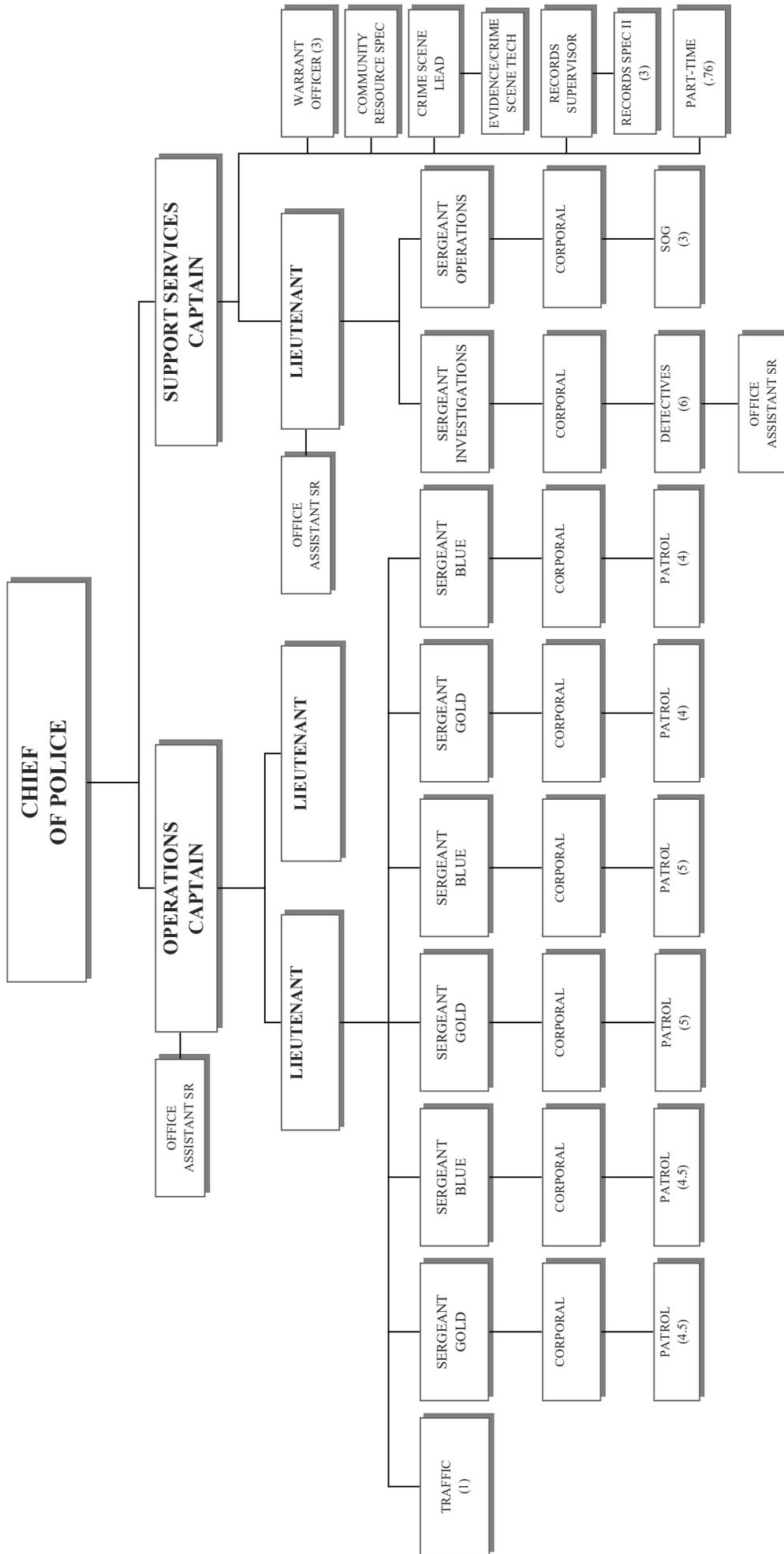
DEPARTMENT OF COMMUNITY DEVELOPMENT



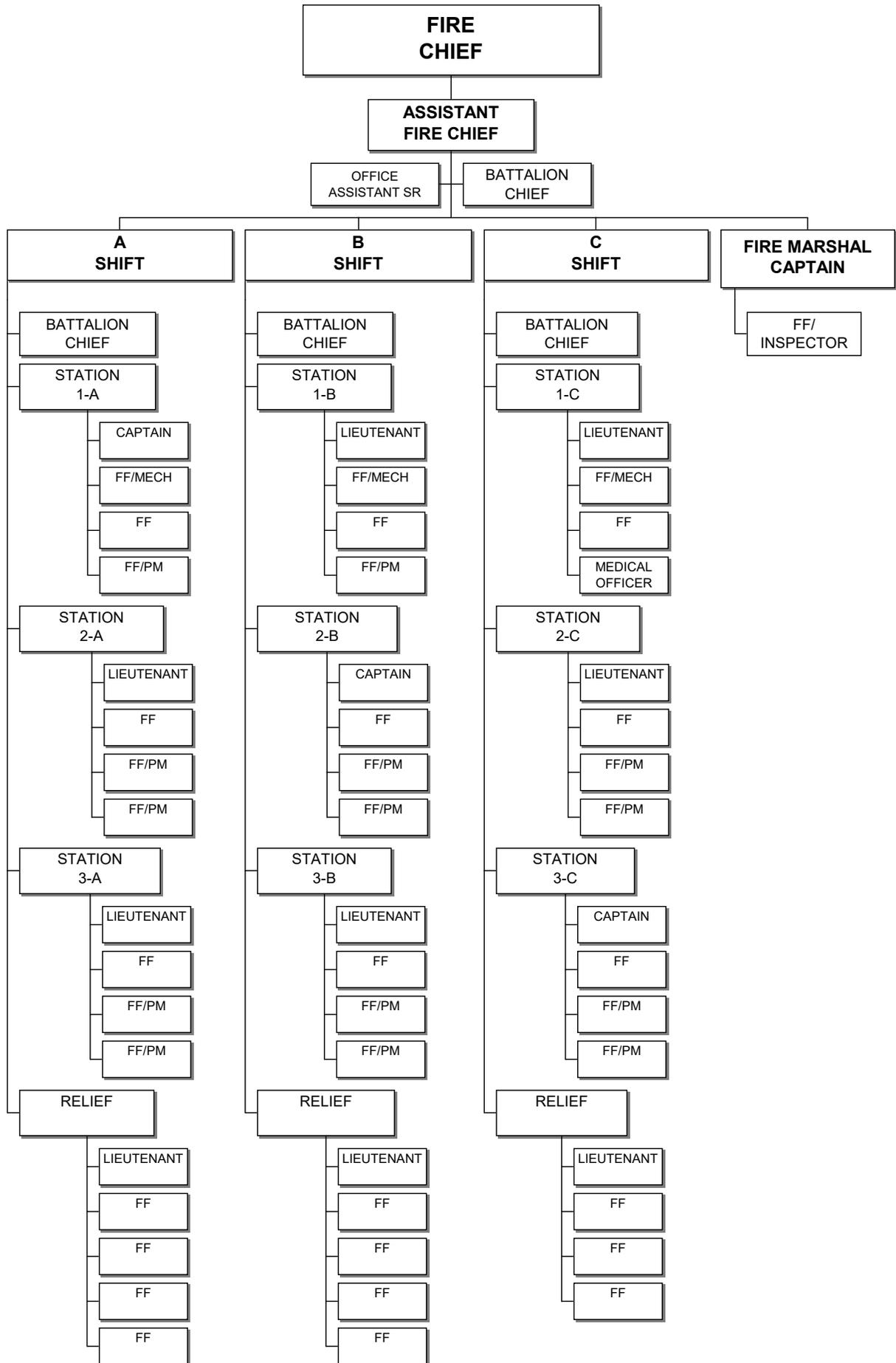
CITY AUDITOR DEPARTMENT



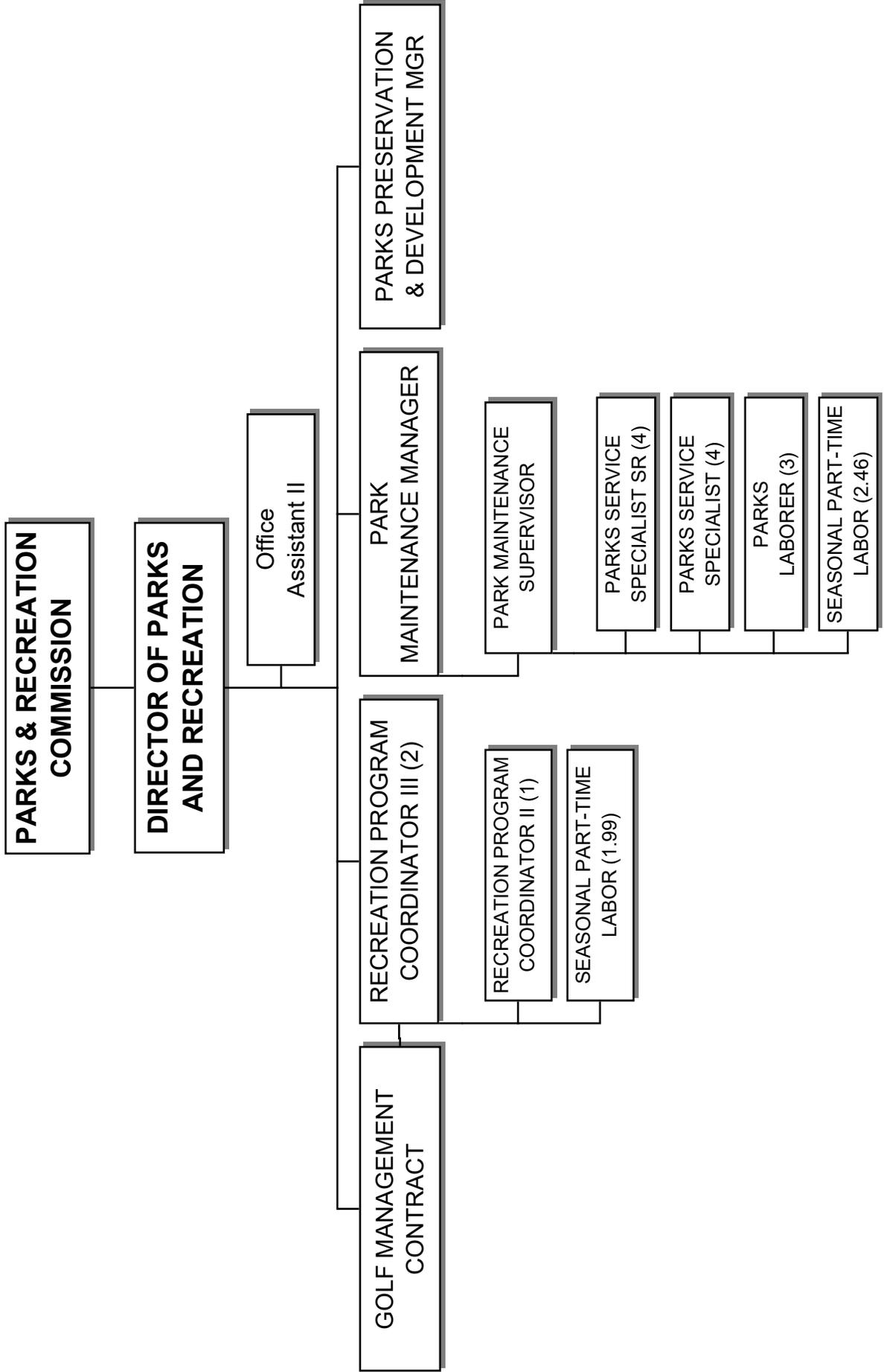
BREMERTON POLICE DEPARTMENT



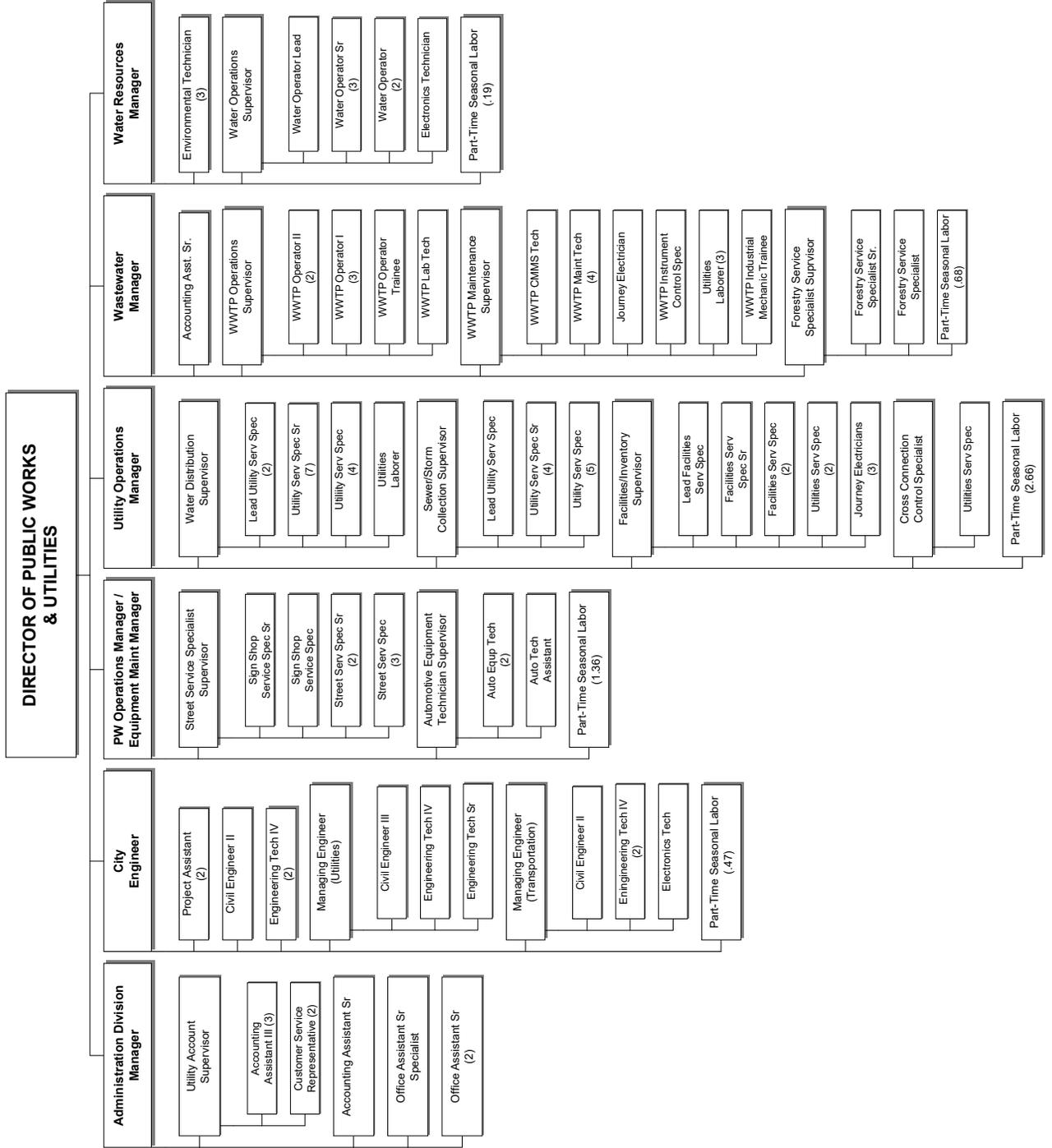
FIRE DEPARTMENT



PARKS AND RECREATION DEPARTMENT



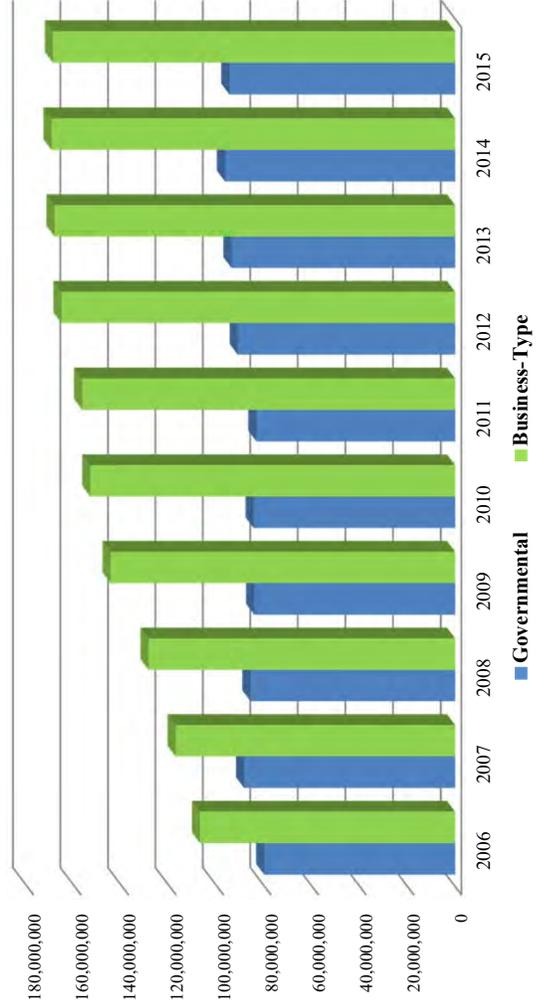
DEPARTMENT OF PUBLIC WORKS & UTILITIES



**Net Position by Component
Last Ten Fiscal Years**
(accrual basis of accounting)

	December 31,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 58,958,873	\$ 70,114,679	\$ 72,451,892	\$ 72,087,573	\$ 66,905,386	\$ 71,532,476	\$ 78,295,484	\$ 80,093,194	\$ 83,690,399	\$ 82,209,827
Restricted	7,390,108	3,168,374	2,682,534	3,111,288	8,275,949	6,008,032	4,200,925	4,104,980	3,767,053	8,629,268
Unrestricted	13,822,625	15,362,418	10,777,450	9,159,249	9,434,193	5,948,429	8,795,698	9,704,988	9,237,898	3,997,964
Total governmental activities net position	\$ 80,171,606	\$ 88,645,471	\$ 85,911,876	\$ 84,358,110	\$ 84,615,528	\$ 83,488,937	\$ 91,292,107	\$ 93,903,162	\$ 96,695,350	\$ 94,837,059
Business-type activities										
Net investment in capital assets	\$ 92,069,352	\$ 92,747,306	\$ 103,397,203	\$ 122,329,665	\$ 128,158,641	\$ 128,930,881	\$ 139,290,172	\$ 145,318,353	\$ 147,992,658	\$ 147,071,444
Restricted	557,859	1,483,026	3,988,736	1,174,604	1,305,903	1,527,135	1,616,969	1,778,954	7,648,222	2,201,230
Unrestricted	14,575,413	23,225,228	21,514,830	21,386,589	23,973,489	26,398,932	24,624,122	21,386,988	14,110,023	19,858,485
Total business-type activities net position	\$ 107,202,624	\$ 117,455,560	\$ 128,900,769	\$ 144,890,858	\$ 153,438,033	\$ 156,856,948	\$ 165,531,263	\$ 168,484,295	\$ 169,750,903	\$ 169,131,159
Primary government										
Net investment in capital assets	\$ 151,028,225	\$ 162,861,985	\$ 175,849,095	\$ 194,417,238	\$ 195,064,027	\$ 200,463,357	\$ 217,789,699	\$ 225,411,547	\$ 231,683,057	\$ 229,281,271
Restricted	7,947,967	4,651,400	6,671,270	4,285,892	9,581,852	7,535,167	5,817,894	5,883,934	11,415,275	10,830,498
Unrestricted	28,398,038	38,587,646	32,292,280	30,545,838	33,407,682	32,347,361	33,215,777	31,091,976	23,347,921	23,856,449
Total primary government net position	\$ 187,374,230	\$ 206,101,031	\$ 214,812,645	\$ 229,248,968	\$ 238,053,561	\$ 240,345,885	\$ 256,823,370	\$ 262,387,457	\$ 266,446,253	\$ 263,968,218

Total Net Position



Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	December 31,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Revenues										
Governmental activities:										
Program revenues										
Charges for services	\$ 7,898,109	\$ 8,239,980	\$ 8,911,480	\$ 9,065,757	\$ 7,974,533	\$ 8,134,426	\$ 8,147,866	\$ 7,554,419	\$ 7,375,242	\$ 8,149,740
Operating grants and contributions	964,454	1,350,646	2,321,404	2,226,968	2,685,281	1,862,766	677,864	756,478	686,422	821,207
Capital grants and contributions	7,895,086	10,545,421	4,638,620	3,922,004	3,748,282	1,753,775	6,847,248	3,752,058	3,072,619	3,342,402
General revenues										
Property taxes	7,329,167	7,920,916	7,799,723	8,490,418	8,553,934	8,546,532	8,578,750	8,511,679	8,688,122	8,971,576
Sales taxes	7,157,768	7,574,011	7,790,117	6,541,673	6,538,977	7,050,928	7,295,954	7,678,855	8,129,965	8,662,583
Business taxes	3,898,778	4,783,087	3,454,258	3,706,834	3,406,535	3,175,405	3,256,913	2,665,107	2,733,787	2,878,276
Utility taxes	4,744,302	4,974,578	5,087,768	4,753,803	4,531,307	4,512,670	4,407,473	4,415,712	4,332,386	9,695,992
Other taxes	3,567,985	2,984,146	2,572,169	2,461,170	2,391,050	2,384,628	2,679,142	3,147,164	4,045,245	4,045,311
Other general revenues	3,088,501	1,831,840	1,142,115	217,758	1,428,517	657,845	488,144	(720,663)	692,314	484,086
Total governmental program revenues	46,544,150	50,204,625	43,717,654	41,386,385	41,258,416	38,078,975	42,379,354	37,760,809	39,756,168	47,051,107
Business-type activities:										
Charges for services:										
Operating grants and contributions	27,738,767	27,611,963	26,764,076	27,619,991	25,981,745	26,471,213	26,807,859	29,197,326	31,020,945	34,561,549
Capital grants and contributions	-	-	235,414	34,341	65,812	258,531	3,000	392,179	-	11,005
General revenues	755,136	4,936,686	8,449,263	3,882,290	7,417,318	2,580,408	9,253,974	3,877,546	1,386,750	2,132,266
Sales taxes	49,180	41,562	21,857	14,678	-	16,735	16,201	30,041	28,022	47,570
Business taxes	6,672	8,004	229	-	6,486	395	1,120	4,598	3,915	14,020
Other general revenues	487,531	913,859	867,602	556,994	584,246	613,062	683,660	474,662	531,817	644,409
Total business-type activities program revenues	29,037,286	33,512,074	36,338,441	32,108,294	34,055,607	29,940,344	36,765,814	33,976,352	32,971,449	37,410,819
Total primary government program revenues	\$ 75,581,436	\$ 83,716,699	\$ 80,056,095	\$ 73,494,679	\$ 75,314,023	\$ 68,019,319	\$ 79,145,168	\$ 71,737,161	\$ 72,727,617	\$ 84,461,926
Expenses										
Governmental activities:										
General government	\$ 4,036,679	\$ 3,838,442	\$ 4,801,924	\$ 4,001,383	\$ 3,250,587	\$ 4,585,130	\$ 2,335,832	\$ 3,353,284	\$ 3,898,120	\$ 4,378,952
Public safety	19,018,326	21,823,943	22,951,485	23,922,957	24,187,445	23,718,909	23,177,212	23,337,415	24,347,998	27,924,882
Utilities and environment	205,404	374,985	223,469	226,975	219,431	219,631	219,560	220,176	-	-
Transportation	7,731,187	8,936,077	9,045,766	4,214,922	4,012,477	4,235,164	4,206,821	4,459,164	5,801,997	5,736,335
Economic environment	2,863,004	2,601,899	3,148,575	2,031,753	3,310,097	2,231,951	1,865,434	1,813,732	1,889,697	1,934,666
Cultural and recreation	5,581,830	6,429,966	6,931,036	5,944,853	6,510,247	5,975,233	6,061,443	5,991,865	6,127,784	6,175,244
Interest on long-term debt	1,422,858	1,378,912	1,181,513	961,926	976,987	1,511,968	1,172,255	1,221,700	1,214,965	1,404,627
Total governmental activities expenses	40,859,288	45,384,224	48,283,708	41,304,769	42,467,271	42,477,986	39,038,557	40,397,336	43,280,561	47,554,706
Business-type activities:										
Water	8,052,273	8,247,875	8,829,441	9,242,707	8,298,916	8,868,640	8,923,134	9,276,527	10,222,657	11,760,629
Wastewater	8,387,319	8,589,358	8,917,620	8,927,299	9,009,876	9,822,019	9,943,879	9,945,606	10,128,629	13,324,703
Golf course	3,578,441	3,498,529	3,254,936	3,198,390	2,256,772	2,135,886	2,271,036	4,008,939	3,827,264	3,993,845
Other proprietary funds	1,200,116	1,328,735	1,212,461	1,478,026	1,603,135	1,831,098	2,281,994	2,151,899	1,823,388	2,464,910
Total business-type activities expenses	21,218,149	21,664,497	22,214,458	22,846,422	21,168,699	22,657,643	23,420,043	25,382,971	26,001,938	31,544,087
Total primary government expenses	\$ 62,077,437	\$ 67,048,721	\$ 70,498,226	\$ 64,151,191	\$ 63,635,970	\$ 65,135,629	\$ 62,458,600	\$ 65,780,307	\$ 69,282,499	\$ 79,098,793

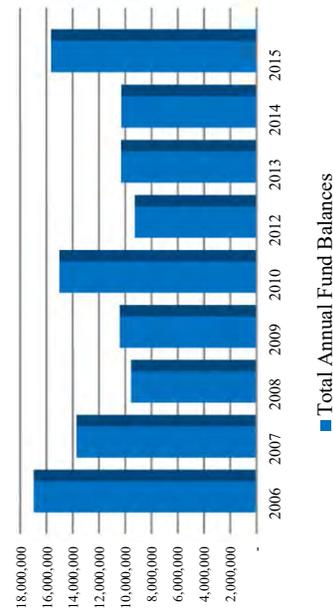
Changes in Net Position
Last Ten Fiscal Years
(accural basis of accounting)

	December 31,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Change in Net Position										
Governmental activities:										
Excess of revenues over expenses	\$ 5,684,862	\$ 4,820,401	\$ (4,566,114)	\$ 81,616	\$ (1,208,855)	\$ (4,399,011)	\$ 3,340,797	\$ (2,636,527)	\$ (3,524,393)	\$ (503,599)
Transfers	1,291,437	1,944,641	1,973,245	4,175,924	3,610,764	3,737,965	4,462,373	5,492,002	6,416,953	1,778,043
Governmental activities change in net position	6,976,299	6,765,042	(2,592,869)	4,257,540	2,401,909	(661,046)	7,803,170	2,855,475	2,892,560	1,274,444
Business-type activities:										
Excess of revenues over expenses	7,819,137	11,847,577	14,123,983	9,261,872	12,886,908	7,282,701	13,345,771	8,593,381	6,969,511	5,866,732
Transfers	(1,291,437)	(1,944,641)	(1,973,245)	(4,175,924)	(3,610,764)	(3,737,965)	(4,462,373)	(5,492,002)	(6,416,953)	(1,778,043)
Business-type activities change in net position	6,527,700	9,902,936	12,150,738	5,085,948	9,276,144	3,544,736	8,883,398	3,101,379	552,558	4,088,689
Governmental Activities Net Position:										
Net position - beginning	73,195,307	80,171,606	88,645,471	85,911,876	84,358,110	84,615,528	83,488,937	91,292,107	93,903,162	96,695,350
Prior period adjustment/special items		1,708,823	(140,726)	(5,811,306)	(2,144,491)	(465,545)	-	(244,420)	(100,372)	(3,132,735)
Net position - ending	80,171,606	88,645,471	85,911,876	84,358,110	84,615,528	83,488,937	91,292,107	93,903,162	96,695,350	94,837,059
Business-type activities net position										
Net position - beginning	101,035,902	107,202,624	117,455,560	128,900,769	144,890,858	153,438,033	156,856,948	165,531,263	168,484,295	169,750,903
Prior period adjustment/special items	(360,978)	350,000	(705,529)	10,904,141	(728,969)	(125,821)	(209,083)	(148,347)	714,050	(4,708,433)
Net position - ending	107,202,624	117,455,560	128,900,769	144,890,858	153,438,033	156,856,948	165,531,263	168,484,295	169,750,903	169,131,159
Total Primary Government Net Position	\$ 187,374,230	\$ 206,101,031	\$ 214,812,645	\$ 229,248,968	\$ 238,053,561	\$ 240,345,885	\$ 256,823,370	\$ 262,387,457	\$ 266,446,253	\$ 263,968,218

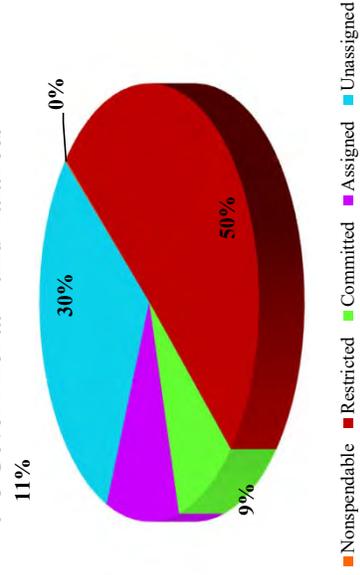
Fund Balance of Governmental Funds
Last Ten Fiscal Years

	December 31,									
	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,683	\$ 18,418	\$ 24,801	\$ 20,060	\$ 18,827
Restricted	-	-	-	-	-	48,556	20,562	50,179	50,179	76,836
Committed	-	-	-	-	-	-	-	-	-	729,705
Assigned	-	-	-	-	-	65,926	545,168	-	-	-
Unassigned	-	-	-	-	-	3,274,281	4,018,522	4,794,308	4,725,880	4,658,608
General fund *										
Reserved	14,970	20,470	19,070	-	-	-	-	-	-	-
Unreserved	4,386,943	4,084,868	1,313,146	1,957,308	3,049,878	-	-	-	-	-
Total General Fund	\$ 4,401,913	\$ 4,105,338	\$ 1,332,216	\$ 1,957,308	\$ 3,049,878	\$ 3,407,446	\$ 4,602,670	\$ 4,869,288	\$ 4,796,119	\$ 5,483,976
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,264	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	4,592,196	2,786,592	3,040,543	2,923,689	7,813,051
Committed	-	-	-	-	-	232,026	313,984	357,663	652,253	674,653
Assigned	-	-	-	-	-	1,045,415	1,577,720	2,051,610	1,927,149	1,674,781
Unassigned	-	-	-	-	-	(96,866)	-	-	-	-
All other governmental funds *										
Reserved	1,054,224	176,435	198,472	350,758	391,078	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	5,025,387	6,251,037	5,867,682	5,758,691	4,488,327	-	-	-	-	-
Capital projects funds	6,074,023	2,626,138	1,578,618	2,096,861	6,662,498	-	-	-	-	-
Debt service funds	418,036	548,107	590,314	262,834	433,778	-	-	-	-	-
Total All Other Governmental Funds	\$12,571,670	\$ 9,601,717	\$ 8,235,086	\$ 8,469,144	\$11,975,681	\$ 5,796,035	\$ 4,678,296	\$ 5,449,816	\$ 5,503,091	\$ 10,162,485

Governmental Fund Balances by Fiscal Year



2015 Governmental Fund Balances



*Fund Balance reporting change resulting from implementation of GASB54 in 2011

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	December 31,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$25,423,632	\$26,572,963	\$25,132,935	\$24,259,262	\$23,958,593	\$24,139,778	\$24,476,535	\$24,893,527	\$25,964,771	\$32,486,301
License and permits	1,043,642	1,160,778	1,037,771	1,174,918	1,165,394	1,233,719	1,133,301	1,264,323	1,306,759	1,439,387
Intergovernmental	10,574,163	10,004,467	8,846,813	8,126,087	8,266,451	5,650,308	6,961,371	5,597,461	6,010,619	4,982,307
Charges for services	5,214,339	4,645,238	5,005,728	5,188,790	5,648,907	4,950,225	6,601,588	3,345,061	3,079,275	3,507,757
Fines and forfeits	868,427	1,022,563	1,689,080	1,929,836	1,581,937	1,536,690	1,492,213	1,252,160	1,260,469	1,377,204
Miscellaneous	3,101,742	3,107,379	2,497,255	1,636,519	2,962,238	1,706,691	1,985,835	1,737,857	2,030,651	2,129,699
Total revenues	46,225,945	46,513,388	44,209,582	42,315,412	43,583,520	39,217,411	42,650,843	38,090,389	39,652,544	45,922,655
Expenditures										
General government	5,628,413	6,389,555	6,830,197	6,793,202	6,878,458	7,237,760	6,096,052	4,833,662	4,713,790	5,204,949
Public safety	15,516,122	17,418,932	21,205,949	22,222,451	22,369,568	21,787,632	21,161,867	21,473,549	22,513,669	23,534,874
Utilities and environment	217,600	374,985	223,469	226,975	219,431	219,631	219,560	28,166	23,165	28,694
Transportation	6,295,350	7,652,880	7,401,334	3,372,750	3,010,848	3,135,657	4,419,430	3,242,692	4,236,661	4,382,943
Economic environment	2,795,953	2,521,648	3,142,196	1,950,417	3,269,259	2,292,909	1,891,527	1,616,533	1,647,643	1,799,656
Mental/physical health	71,285	71,379	73,525	74,922	75,126	75,573	69,963	271,038	274,877	275,421
Cultural and recreation	4,873,362	5,313,236	5,357,250	4,548,291	4,867,545	4,364,162	4,530,933	4,226,772	4,480,333	4,552,498
Debt service										
Principle	1,367,000	1,562,499	986,000	1,035,500	771,500	1,382,500	1,458,239	10,025,000	1,260,000	1,255,000
Interest and other debt issue costs	1,409,746	1,363,534	1,165,883	946,444	964,772	1,402,902	1,140,116	1,174,562	1,192,256	1,222,366
Capital	10,722,720	8,090,180	4,515,778	4,874,658	9,361,248	7,256,768	5,708,349	4,781,135	6,028,569	4,879,056
Intergovernmental Payments										
Total expenditures	48,897,551	50,758,828	50,901,581	46,045,610	51,787,755	49,197,697	46,696,036	51,673,109	46,370,963	47,135,457
Excess of revenues over (under) expenditures	(2,671,606)	(4,245,440)	(6,691,999)	(3,730,198)	(8,204,235)	(9,980,286)	(4,045,193)	(13,582,720)	(6,718,419)	(1,212,802)
Other Financing Sources (Uses)										
Proceeds of long-term debt	-	-	-	-	19,407,267	9,675,000	5,215,000	8,590,000	-	4,160,000
Premiums on bonds sold	-	-	-	-	(10,387,010)	(9,675,000)	(5,653,814)	401,073	-	399,823
Payments to refunded escrow agent	2,700,538	1,467,967	428,319	398,759	40,930	511,823	-	-	-	-
Capital asset donation and disposal	-	-	-	14,664	18,629	1,251	349	137,498	199,550	67,728
Insurance recoveries	-	-	-	-	-	-	-	285	8,817	10,620
Transfers in	9,768,469	8,957,389	6,461,827	7,415,810	5,630,979	6,921,147	6,074,690	6,932,744	8,098,633	4,746,365
Transfers out	(10,596,716)	(9,445,689)	(4,195,667)	(3,239,886)	(2,020,214)	(3,282,833)	(1,612,316)	(1,440,742)	(1,681,679)	(2,840,790)
Total other financing sources and uses	1,872,291	979,667	2,694,479	4,589,347	12,690,581	4,151,388	4,145,942	14,620,858	6,625,321	6,543,746

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	December 31,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Change in Fund Balance										
Change in reserves for inventory	39,932	(755)	(1,507)	-	(10,666)	6,820	(23,264)	-	-	-
Net change in fund balances	(759,383)	(3,266,328)	(3,999,027)	859,149	4,475,680	(5,822,078)	77,485	1,038,138	(93,098)	5,330,944
Fund balances-beginning	17,732,966	16,973,583	13,707,055	9,567,302	10,426,451	15,025,559	9,203,481	9,280,966	10,319,104	10,299,210
Prior Period Adjustments	-	-	(140,726)	-	123,428	-	-	-	73,204	16,307
Fund balances-ending	\$ 16,973,583	\$ 13,707,055	\$ 9,567,302	\$ 10,426,451	\$ 15,025,559	\$ 9,203,481	\$ 9,280,966	\$ 10,319,104	\$ 10,299,210	\$ 15,646,461
Debt service as a percentage of noncapital expenditures	7.27%	6.86%	4.64%	4.81%	4.09%	6.64%	6.34%	23.88%	6.08%	5.86%

Changes in Fund Balance by Fiscal Year

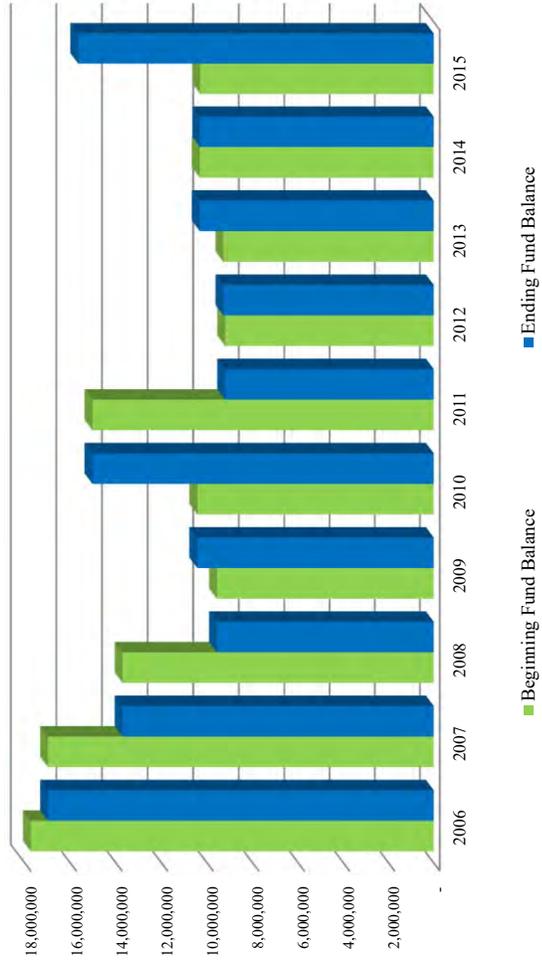


Table 5

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Total		Ratio of Assessed Value to Estimated Actual Value		Total Levy Rate per \$1,000
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2006	2,089,518,973	2,324,270,270	133,373,551	133,373,551	2,222,892,524	2,457,643,821	90.1%	3.35	
2007	2,557,714,553	2,919,765,471	134,674,238	134,674,238	2,692,388,791	3,054,439,709	87.9%	2.85	
2008	2,974,663,326	3,395,734,390	140,113,102	143,118,592	3,114,776,428	3,538,852,982	87.8%	2.51	
2009	2,950,336,030	3,430,623,291	134,404,987	138,704,837	3,084,741,017	3,569,328,128	86.2%	2.76	
2010	2,738,164,824	3,187,619,120	161,319,684	163,279,032	2,899,484,508	3,350,898,152	86.2%	2.97	
2011	2,592,959,827	2,939,863,749	155,787,967	157,999,967	2,748,747,794	3,097,863,716	88.4%	3.13	
2012	2,396,294,922	2,704,621,808	152,670,570	155,153,018	2,548,965,492	2,859,774,826	88.8%	3.37	
2013	2,250,204,824	2,445,874,809	144,576,776	148,436,115	2,394,781,600	2,594,310,924	92.1%	3.61	
2014	2,143,730,007	2,358,338,842	149,270,722	156,304,421	2,293,000,729	2,514,643,263	91.0%	3.85	
2015	2,206,109,042	2,346,924,513	148,433,705	149,480,065	2,354,542,747	2,496,404,578	94.1%	3.83	

Table 6

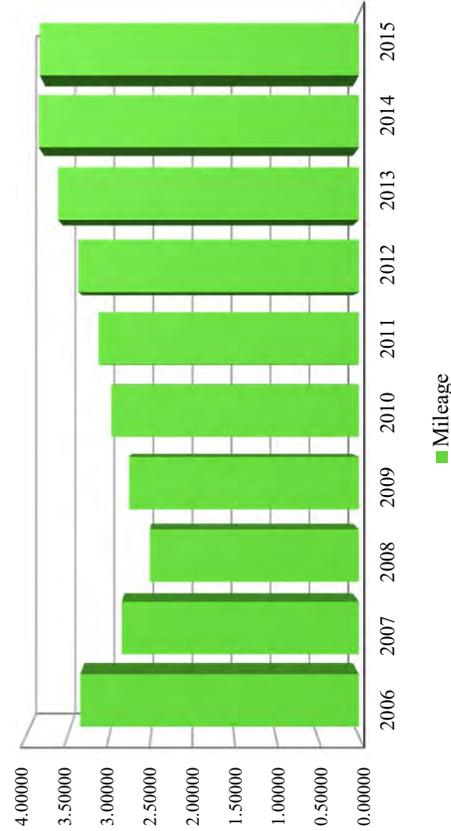
Governmental Activities Tax Revenues by Source

	December 31,											
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
General Revenues Taxes												
Property Tax	7,329,167	7,920,916	7,799,723	8,490,418	8,553,934	8,546,532	8,578,750	8,511,679	8,688,122	8,971,576		
Local Sales & Use Tax												
Local Retail Sales & Use Tax	6,671,968	7,072,198	7,313,178	6,114,008	6,120,060	6,604,669	6,844,193	6,489,850	6,864,848	7,288,823		
Local Revitalization Financing	-	-	-	-	146,258	370,613	339,594	337,450	340,860	349,901		
Hotel/Motel Sales & Use Tax	333,577	331,093	317,385	362,410	347,792	393,288	417,131	388,620	434,001	529,682		
Criminal Justice Sales & Use Tax	485,800	501,813	476,939	427,665	418,917	446,258	451,761	462,935	490,256	541,747		
Total Local Sales & Use Tax	7,491,345	7,905,104	8,107,502	6,904,083	7,033,027	7,814,828	8,052,679	7,678,855	8,129,965	8,710,153		
Business Taxes												
Business & Occupation Taxes	3,261,382	4,213,717	2,889,482	3,155,501	2,811,903	2,765,879	2,698,574	2,609,466	2,664,794	2,838,188		
Gambling Excise Taxes	323,615	275,496	268,174	239,959	276,734	93,146	81,841	55,641	68,993	54,108		
Total Business Taxes	3,584,997	4,489,213	3,157,656	3,395,460	3,088,637	2,859,025	2,780,415	2,665,107	2,733,787	2,892,296		
Utility Taxes												
Electric Utility	1,410,790	1,552,363	1,685,415	1,714,605	1,716,776	1,776,770	1,756,362	1,822,957	1,839,046	1,786,917		
Gas Utility	951,949	955,006	907,311	527,349	419,100	449,995	375,524	365,522	394,593	371,878		
Garbage/Solid Waste Utility	476,226	465,010	428,975	460,037	454,929	455,621	476,599	476,835	483,359	573,835		
Cable TV Utility	486,684	519,622	563,620	575,472	601,782	619,550	617,149	618,076	636,564	609,528		
Telephone Utility	1,379,209	1,342,711	1,502,447	1,475,421	1,338,542	1,210,552	1,198,455	1,132,558	978,824	987,549		
Water Utility	698,801	690,376	684,855	1,004,461	1,267,675	1,307,466	1,310,542	1,366,011	1,722,961	1,767,957		
Wastewater Utility	1,043,647	1,100,363	1,124,299	1,579,797	2,015,319	2,044,970	2,699,404	2,621,252	2,750,903	3,051,164		
Stormwater Utility	145,739	153,902	164,091	244,916	327,771	343,308	452,427	481,739	376,536	547,164		
Total Utility Taxes	6,593,045	6,779,353	7,061,013	7,582,058	8,141,894	8,208,232	8,869,681	8,884,714	9,182,786	9,695,992		
Other Taxes and State Shared Revenue												
Leasehold Tax	43,562	46,019	53,055	62,232	101,570	110,491	112,087	111,758	123,721	128,893		
TBD Vehicle Fees	-	-	-	-	-	-	189,169	431,866	444,012	480,625		
Parking Tax	313,781	293,874	296,602	311,374	317,898	316,380	476,499	497,088	547,288	626,078		
Real Estate Excise Tax	1,749,178	1,176,732	709,894	570,619	412,518	336,378	427,807	481,898	788,594	982,512		
State & Local Shared Revenue	1,441,668	1,430,302	1,491,835	1,465,909	1,529,170	1,544,471	1,722,117	1,624,554	2,141,696	1,827,137		
Total Other Taxes and State Shared Revenue	3,548,189	2,946,927	2,551,386	2,410,134	2,361,156	2,307,720	2,927,679	3,147,164	4,045,311	4,045,245		
Total	28,546,743	30,041,513	28,677,280	28,782,153	29,178,648	29,736,337	31,209,204	30,887,519	32,779,971	34,315,262		

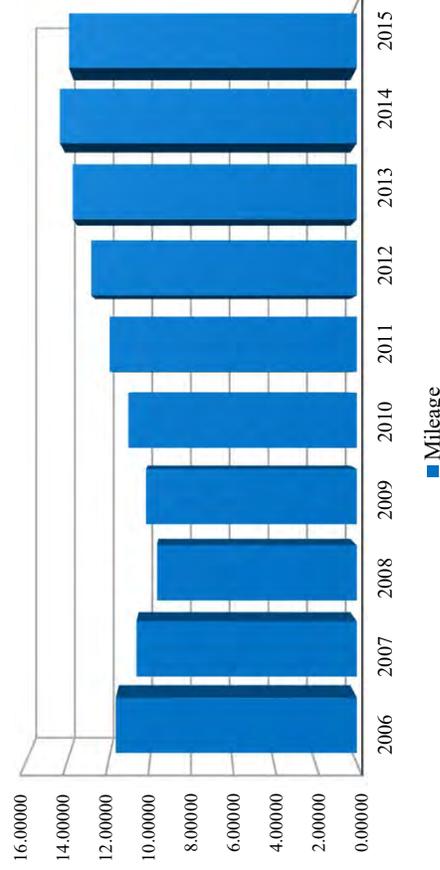
**Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	City of Bremerton Direct Rates										Overlapping Rates					Total Direct & Overlapping Rates
	Operating Mileage	EMS Mileage	Debt Service Mileage	Total City Mileage	Kitsap County Mileage	State School Mileage	Bremerton School District Mileage/Debt	Bremerton Port of Bremerton Mileage/Debt	Public Utility Mileage	Kitsap Regional Library Mileage	Total Overlapping Rates					
2006	2.46012	0.40695	0.47883	3.34590	1.13108	2.59911	3.72997	3.37815	0.07970	0.36159	8.27817	11.62406				
2007	2.10316	0.34805	0.39588	2.84710	0.96251	2.29576	3.37815	0.76873	0.06782	0.30765	7.78062	10.62771				
2008	1.90323	0.31487	0.29256	2.51065	0.87703	2.02829	3.18750	0.69372	0.06180	0.28021	7.12855	9.63919				
2009	1.96901	0.50000	0.29004	2.75905	0.90091	2.02559	3.41376	0.71533	0.06348	0.28792	7.40699	10.16604				
2010	2.16239	0.50000	0.30911	2.97151	0.98964	2.13360	3.75818	0.77433	0.06847	0.32040	8.04462	11.01613				
2011	2.32957	0.50000	0.29627	3.12583	1.06784	2.37752	4.13613	0.79156	0.07376	0.34726	8.79406	11.91989				
2012	2.55906	0.50000	0.30861	3.36767	1.13920	2.49738	4.54333	0.81469	0.07804	0.37076	9.44340	12.81107				
2013	2.76184	0.50000	0.35143	3.61327	1.20157	2.50708	5.52472	0.38352	0.08173	0.39111	10.08973	13.70299				
2014	2.95020	0.50000	0.39533	3.84554	1.23562	2.47237	5.88763	0.39439	0.08544	0.40208	10.47753	14.32307				
2015	2.94554	0.50000	0.38686	3.83240	1.20167	2.17682	5.81830	0.38814	0.08312	0.39013	10.05818	13.89058				

City of Bremerton Direct Property Tax Rate



Total Direct & Overlapping Property Tax Rates



Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2015			2006			
	Taxable Assessed Valuation	Rank	Percentage of Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Assessed Valuation
Puget Sound Energy	\$ 41,647,182	1	1.8%	Puget Sound Energy	\$ 30,664,475	1	1.4%
Qwest Corporation	14,895,493	2	0.6%	Qwest Corporation	15,544,140	2	0.7%
Kitsap Credit Union	12,637,320	3	0.5%	Merit Company	8,588,410	3	0.4%
R&L Property Management	12,148,370	4	0.5%	Bremer Trust	8,326,750	4	0.4%
Health Care Reit Inc	11,432,875	5	0.5%	R&L Property Management	7,442,680	5	0.3%
Heartland Automobile Prop LLC	10,215,910	6	0.4%	Kitsap Credit Union	7,082,330	6	0.3%
HCK2 LLC	10,101,170	7	0.4%	Bremerton Stephanus LLC	6,501,860	7	0.3%
Winco Foods LLC	9,971,540	8	0.4%	Cascade Natural Gas	5,859,928	8	0.3%
EP Holdings LLC	9,564,430	9	0.4%	Hotel Concepts of Kitsap LLC	5,702,360	9	0.3%
MG Pine Ridge Apts LP	8,732,390	10	0.4%	Beta East Towne Ctr LLC	5,299,180	10	0.2%
Total Taxpayer Taxable Assessed Valuation	141,346,680		6.0%	Total Taxpayer Taxable Assessed Valuation	101,012,113		4.5%
All Other Taxpayer Taxable Assessed Valuation	2,213,196,067		94.0%	All Other Taxpayer Taxable Assessed Valuation	2,121,880,411		95.5%
Total Taxpayer Taxable Assessed Valuation	\$ 2,354,542,747		100.0%	Total Taxpayer Taxable Assessed Valuation	\$ 2,222,892,524		100.0%

Assessed Valuation of 2015 Top Ten Taxpayers Compared to Total Taxable Assessed Valuation

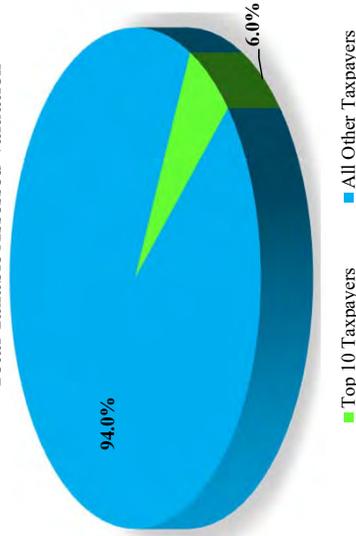


Table 9

**Property Tax levies and Collections
Last Ten Fiscal Years
(In Thousands)**

Fiscal Year	Tax Levy	Current Tax Collections	% of Tax Levy Collected	Delinquent Tax Collections	Total Tax Collections	% of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	% of Outstanding Delinquent to Tax Levy
2006	7,431	7,188	96.73%	308	7,496	100.87%	631	8.49%
2007	7,658	7,406	96.71%	436	7,842	102.40%	425	5.55%
2008	7,816	7,498	95.93%	190	7,688	98.36%	506	6.47%
2009	8,507	8,064	94.79%	192	8,256	97.05%	735	8.64%
2010	8,613	8,209	95.31%	411	8,620	100.08%	669	7.77%
2011	8,590	8,278	96.37%	283	8,561	99.66%	655	7.63%
2012	8,587	8,242	95.98%	317	8,559	99.67%	614	7.15%
2013	8,647	8,321	96.23%	290	8,611	99.58%	575	6.65%
2014	8,812	8,575	97.31%	256	8,831	100.22%	432	4.90%
2015	9,019	8,824	97.84%	207	9,031	100.13%	373	4.14%

Annual Property Tax Levies and Taxes Collected

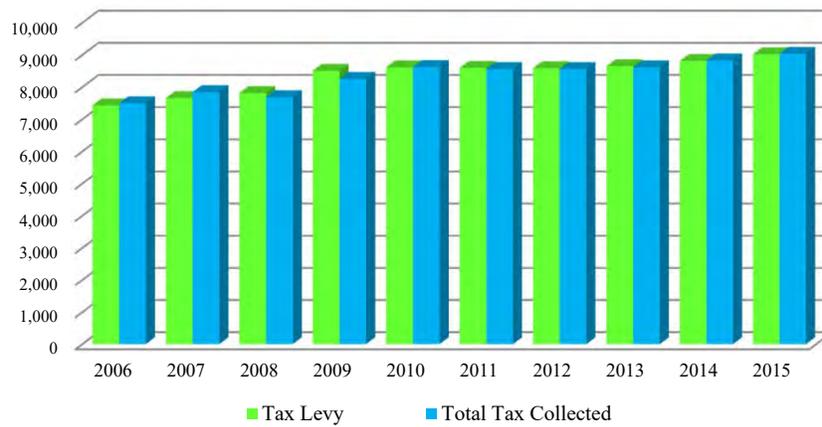


Table 10

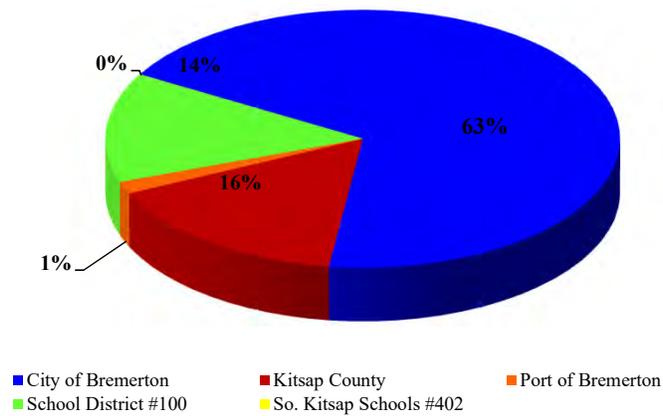
**Ratio of Net General Bonded Debt
To Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years**

Fiscal Year	Population*	Assessed Value**	General Obligation Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Percentage Net Bonded Debt to Assessed Value	Debt per Capita
2006	35,910	2,222,892,524	30,318,664	457,626	29,861,038	1.34%	832
2007	35,810	2,692,388,791	28,619,400	573,654	28,045,746	1.04%	783
2008	36,860	3,114,776,428	27,424,767	623,385	26,801,382	0.86%	727
2009	36,620	3,084,741,017	26,847,185	313,948	26,533,237	0.86%	725
2010	36,190	2,899,484,508	35,705,685	474,303	35,231,382	1.22%	974
2011	38,790	2,748,747,794	39,511,239	426,513	39,084,726	1.42%	1,008
2012	39,650	2,548,965,492	37,768,000	275,190	37,492,810	1.47%	946
2013	37,850	2,394,781,600	36,260,000	203,725	36,056,275	1.51%	953
2014	37,850	2,293,000,729	34,770,000	293,160	34,476,840	1.50%	911
2015	38,180	2,354,542,747	37,430,000	546,561	36,883,439	1.57%	966

**Computation of Direct and Overlapping Debt
December 31, 2015**

<u>Jurisdiction</u>	<u>Gross General Obligation</u>	<u>Percentage Applicable to Bremerton</u>	<u>Amount Applicable to Bremerton</u>
City of Bremerton	32,920,000	100.00 %	32,920,000
Kitsap County	88,609,676	8.60 %	7,620,432
Port of Bremerton	3,385,000	21.68 %	733,868
School District #100	8,980,115	73.27 %	6,579,730
So. Kitsap Schools #402	3,205,086	0.36 %	11,538
TOTAL	137,099,877		47,865,569

**Percentage of Direct & Overlapping Debt
Applicable to the City of Bremerton**



**Computation of Legal Debt Margin
as of December 31, 2015**

Total Taxable Property Value	2,354,542,747
2.5% General purpose limit is allocated between	58,863,569
Up to 1.5% debt without a vote (RCW 39.36.020)	35,318,141
Less: Outstanding Debt (non-voted)	25,115,000
Less: Excess of Debt with a Vote	-
Add: Available Assets	227,486
<i>Equals remaining debt capacity without a vote</i>	-
Up to 2.5% debt with a vote (RCW 39.36.020)	33,976,055
Less: Outstanding Debt (voted)	12,315,000
Add: Available Assets	113,703
<i>Equals remaining debt capacity with a vote</i>	-
2.5% Utility purpose limit, voted (RCW 39.36.020)	58,863,569
Less: Outstanding Debt	-
Less: Contracts Payable	-
Add: Available Assets	-
<i>Equals remaining debt capacity- Utility purpose, voted</i>	-
2.5% <i>Open Space, park & capital facilities, voted (RCW 39.36.020)</i>	58,863,569
Less: Outstanding Debt	-
Less: Contracts Payable	-
Add: Available Assets	-
<i>Equals remaining debt capacity - Open space, park & capital facilities voted</i>	-

Table 13

**Water and Sewer Revenue Bond Coverage
Last Ten Fiscal Years**

Fiscal Year	Gross Revenue	Maintenance & Operating Expenses*	Net Revenue Available for Debt Service	Current Principal	Interest	Total	Current Coverage Ratio
2006	21,732,894	10,951,004	10,781,890	2,555,659	305,144	2,860,803	3.77
2007	23,009,152	11,486,862	11,522,290	2,815,000	242,816	3,057,816	3.77
2008	23,021,132	13,023,575	9,997,557	305,000	223,202	528,202	18.93
2009	22,697,794	13,160,506	9,537,288	320,000	210,148	530,148	17.99
2010	22,172,232	12,563,519	9,608,713	330,000	196,452	526,452	18.25
2011	22,869,304	12,807,726	10,061,578	335,000	182,328	517,328	19.45
2012	23,000,401	12,822,748	10,177,653	350,000	167,990	517,990	19.65
2013	23,418,123	12,907,625	10,510,498	365,000	153,010	518,010	20.29
2014	27,651,623	15,502,853	12,148,770	375,000	137,388	512,388	23.71
2015	31,231,386	15,924,253	15,307,133	595,000	420,344	1,015,344	15.08

* Net of depreciation, amortization and City taxes

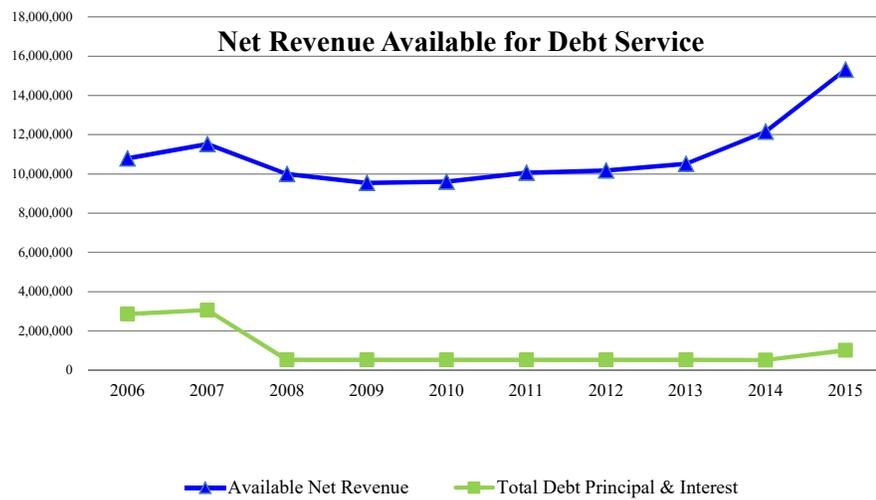


Table 14

**Demographic Statistics
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population ¹</u>	<u>Personal Income (\$000) ²</u>	<u>Income Per Capita ³</u>	<u>School Enrollment ⁴</u>	<u>Number of Housing Units ⁵</u>	<u>Rate of Unemployment ⁶</u>
2005	34,580	1,334,169	38,431	5,412	16,607	5.1
2006	35,910	1,441,502	39,809	5,209	16,615	4.7
2007	35,810	1,520,217	41,518	4,998	16,797	4.4
2008	36,860	1,623,535	43,187	5,061	17,171	4.4
2009	36,620	1,552,892	41,217	4,835	17,170	7.4
2010	36,190	1,501,591	41,492	4,855	17,273	7.3
2011	38,790	1,648,516	42,498	5,175	16,915	7.6
2012	39,650	1,742,857	43,956	4,904	17,090	7.4
2013	37,850	1,673,542	44,215	4,904	17,240	6.9
2014	38,864	1,810,022	46,573	5,111	17,281	7.4
2015	38,180	N/A	N/A	5,013	17,194	5.4

¹ State of Washington, Office of Financial Management.

² U.S. Department of Commerce - Bureau of Economic Analysis (County data prorated based on local population).
2015 data not available at report date.

³ Bremerton-Silverdale, WA - Bureau of Economic Analysis.

⁴ State of Washington, Office of Financial Management - Office of Superintendent of Public Instruction.

⁵ State of Washington, Office of Financial Management (post centual estimate).

⁶ State of Washington, Employment Security Department.

^{2 & 3} 2015 data not published.

Miscellaneous Statistics

DATE OF INCORPORATION

October 14, 1901

FORM OF GOVERNMENT

Council - Mayor

Type of Government

Home-Rule Charter



Demographics in 2015

Total Area for City of Bremerton 32.1 Square Miles

Number of City Employees 2015

Full-Time Equivalents 327.29

Fire Protection

Number of Personnel 58
 Number of Stations 3
 Fire and Aid Calls - 2015 8,676
 Priority 1 Response Time (minutes) 5:13



Police Protection

Number of Police Officers 58
 Calls for Service - 2015 53,456
 Average Priority 1 Response Time (minutes) 2:49
 Average Priority 2 Response Time (minutes) 4:22



Parks & Recreation

Number of Developed Parks 36
 Number of Park Acres 709.50
 Senior Centers 1
 Bremerton Family YMCA 1
 Community Pool - Jarstad Aquatic Center 1
 Golf - Gold Mountain Golf Complex 1
 Ice Arena - Bremerton Ice Arena 1



Business Licenses

Number of Business Licenses Issued - 2015 4,475
 Number of Business Licenses Issued in City Limits 1,322
 Number of Landlord Licenses Issued - 2015 1,837

Miscellaneous Statistics

Water Utility Services 2015

Residential Accounts	16,871
Commercial Accounts	1,830
Storage Capacity (gallons)	33,240,000
Cascade Dam Capacity (gallons)	1.4 billion
Average Daily Demand (millions per gallon-MG)	6.2
Reservoirs	16
Watershed Land (square miles)	12.96
Sources:	
Surface Supply (MG)	1,082
Ground Supply (MG)	1,150
Miles of Main	322



Bremerton supplies 3 billion gallons of water each year to 55,000 people, representing 36% of all the water supplied in Kitsap County. Bremerton regularly monitors the physical, chemical, and bacteriological characteristics to ensure that the drinking water is safe and water quality is the best possible.

Sewer Utility Services 2015

Residential Sewer Accounts	9,905
Commercial Sewer Accounts	925
Miles of Main	141
Miles of Force Main	31
Sewage Pump Stations	39
Grinder Pump Stations	169
Westside Wastewater Treatment Plant:	
Average Annual Flow - MGD	5.0
Hydraulic Peak Capacity - MGD	45
Permitted Average	12.5
Eastside CSO Plant	
Peak Treatment Capacity - MGD	20



Bremerton's sewage system provides sewer service to approximately 37,000 people. The wastewater collection system serves City residents as well as nearby areas in unincorporated Kitsap County.

Stormwater Utility Services 2015

Residential Accounts	10,116
Commercial Accounts	1,035
Miles of Mains	114



It is the mission of the Stormwater Program within the Department to control flooding, enhance water quality, protect sensitive habitat areas, and optimize the recharge of local aquifers.

Miscellaneous Statistics

City Streets

Street Miles	144
State Highway Miles	19
Miles of Sidewalks	127
Signalized Traffic Intersections	39
Street Lights:	
City Owned	917
Leased from Puget Sound Energy	1,738
Signs, Crosswalks & Lane Markings	7,700



Forestry

Water and Utility Forest Lands (acres)	8,300
Miles of Forest Roads	51
Timber Harvested (board feet)	485 MBF
Biosolids applied (cubic yards)	3,519
Reforestation (seedlings planted)	28,920

Public Schools

Bremerton is served primarily by Bremerton School District #100. A small percentage of children attend Central Kitsap School District #401.

Elementary	6
Middle School	1
Junior High	1
High School	1
Vocational School	1

Colleges

Olympic College	Navy College
1600 Chester Ave., Bremerton	Naval Kitsap Bremerton
360 792-6050	2255 Cole Ave. Bldg. 853, Bremerton
1 800 259-6718	360 476-4282 Ext. 9176

Hospitals

Harrison Medical Center	Naval Hospital Bremerton
2520 Cherry Ave., Bremerton	1 Boone Road, Bremerton
360 377-3911	1 800 422-1383

Miscellaneous Statistics

Local Transportation

Washington State Ferries	
Seattle Bremerton Route - Total Annual Rides 2015	2,659,813
Kitsap Transit 2015	
Foot Ferry	
Annual Rides - Port Orchard & Annapolis	492,857
Buses (County Wide)	
Annual Bus Rides (<i>Routed Service</i>)	2,312,766
Kitsap Access Bus	305,544
Worker/Driver Service	496,769
2015 Total Bus Ridership	3,115,079
Vanpool and Other	
Vanpool Service	205,418
2015 Total Vanpool Ridership	205,418
Total Kitsap Transit Ridership	3,813,354

Sources: Washington State Ferries
Kitsap Transit

CITY OF BREMERTON
Schedule of Insurance
2016

Company, Policy Number & Term	Coverage	Limits
Lexington Insurance Company Policy # 065463585 02/01/2016 to 02/01/2017	Excess Liability: BI, PD, Personal & Advertising Injury Errors & Omissions Liability Employment Practices Employee Benefit Liability Self Insured Retention:	\$10,000,000 Each Occurrence / Annual Aggregate \$10,000,000 Each Wrongful Act / Annual Aggregate \$10,000,000 Each Wrongful Act / Annual Aggregate \$10,000,000 Each Wrongful Act / Annual Aggregate \$500,000 Each Occurrence/ Wrongful Act
Midwest Employers Casualty Company Policy # EWC008924 02/01/2016 to 02/01/2018	Excess Workers' Compensation: Workers' Compensation and Employers Liability Self Insured Retentions:	Statutory Workers' Compensation \$1,000,000 Employers' Liability \$500,000 Each Accident \$500,000 Each Employee for Disease
American Home Assurance Company Policy # 080768563 12/31/2015 to 12/31/2017	Property: Risk of physical loss and damage to real and personal property (including Earthquake and Flood at specified locations) Deductibles:	\$100,000,000 Loss Limit excess of applicable deductibles \$50,000,000 Aggregate on Earth Movement & Flood (only at specified locations) Subject to various sublimits \$100,000 Deductible - All perils except 3% Deductible - On earth movement, subject to \$100,000 minimum 5% Deductible - On High Hazard Flood, subject to \$1,000,000 minimum 5% Deductible - On Named Storm, subject to \$250,000 minimum \$50,000 Deductible - Equipment Breakdown
Great American Insurance Company Policy # GVT124-39-25-16 02/01/2016 to 02/01/2017	Crime Employee Dishonesty (including Faithful Performance), Forgery, inside & Outside the Premises, Computer Fraud Deductible:	\$1,000,000 Per Occurrence \$25,000 Deductible Per Occurrence
Illinois Union Insurance Company Policy No. PPL G27270013 002 05/16/2016 to 05/16/2019	Pollution & Remediation Legal Liability Self Insured Retention:	\$1,000,000 Each Pollution Condition \$1,000,000 Aggregate \$100,000 SIR Each Pollution Condition \$400,000 Aggregate Retention - All Pollution Conditions \$25,000 Maintenance Retention thereafter

Glossary

Accounting System

The set of records and procedures that are used to record, classify, and report information as to the financial status and operating conditions of an entity.

Accrual Basis of Accounting

Under this accounting method, transactions are recognized when they occur, regardless of the timing of related cash receipts and disbursements. Proprietary (enterprise and internal service) and non-expendable trust funds use this basis of accounting.

Actual

Actual, as used in the fund summaries, revenue summaries and department and division summaries within the budget document, represents the actual financial results. This category is presented on a budgetary basis, and thus excludes full-accrual audit items such as depreciation and amortization.

Ad Valorem Tax

A tax based on the assessed value of a property.

Adopted Budget

Adopted, as used in the fund summaries and department and division summaries within the budget document, represents the final budget approved by the City Council. The adopted budget becomes effective January 1st. Subsequent to adoption, Council may make changes throughout the year.

Appropriation

An authorization made by the City Council that permits officials to make expenditures or incur obligations against governmental re-

sources. Appropriations are usually made for fixed amounts and are typically granted for a one year period. Multi-year appropriations can also be established for capital project and other special purpose funds. Multi-year appropriation authority remains in effect until the amount appropriated has been totally expended or until the fund, program, or project is closed because its assigned purpose has been changed or accomplished.

Assessed Valuation

The assessed value (AV) set on taxable property as a basis for levying property taxes placed upon real and personal property by the Kitsap County Assessor.

Assets

Resources having a monetary value and that are owned or held by an entity.

Audit

An annual financial report prepared by an independent auditor. A comprehensive audit document contains a summary statement of the scope of the audit, explanatory comments concerning any exceptions to generally accepted auditing standards, explanatory comments concerning verification procedures, financial statements and schedules, statistical information, supplemental comments, and any finding or recommendations.

B.A.R.S.

The prescribed “Budgeting, Accounting and Reporting System” where compliance is required for all governmental entities within the State of Washington.

Balanced Budget

Revenues (including Beginning Fund Bal-

Glossary

ance) equals or exceeds expenditures (including Ending fund Balance).

Beginning Fund Balance

The beginning fund balance is the residual fund balances representing unused funds brought forward from the previous financial year (ending fund balance).

Bond

A debt instrument with a written promise to pay a specified principal amount along with periodic interest at specific future dates. Bonds are typically used for financing of specific capital expenditures.

Budget

A budget is a financial operational plan including an estimate of proposed expenditures and the means of financing them. Used without any modifier, the term usually indicates a financial plan for a certain period of time, typically one or two years. In practice, the term budget is used in two ways. Sometimes it designates the financial plan presented for adoption and other times it designates the plan finally approved. It is usually necessary to specify whether the budget under consideration is preliminary and proposed, or whether the appropriating body has approved it.

Budget Amendment

A change to a budget adopted in accordance with State law. A budget may be amended to increase expenditures/expenses at the fund level by ordinance without public notice or public hearing requirements, when unanticipated revenues occur or emergencies exist (RCW 35A.33.080 and 35A.33.120). Also called Supplemental Appropriation.

Budget Calendar

A schedule of key dates or milestones that the

City follows in preparation and adoption of the budget.

Budget Document

A written report showing a government’s comprehensive financial plan for a specified period, typically one or two years, that includes both capital and operations.

Budget Message

Written explanation of the budget as proposed by the Mayor including the City’s financial priorities, policies, and target goals for the coming budget period.

Budgetary Basis

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), with the exception that neither depreciation nor amortization is budgeted for proprietary funds and bond principal in the enterprise funds is subject to appropriation.

Capital (Outlay/Asset)

Expenditures made to acquire, reconstruct, or construct major fixed or capital assets. A fixed asset is a tangible object of a long-term character that will continue to be held or used such as land, buildings, machinery, furniture, and other equipment. A capital asset must exceed \$5,000 in cost and have an expected live expectancy of 12 months. For purposes of this definition, a “fixed asset” includes a group of items purchased together that will be used for a “single purpose” that could not be used effectively by themselves.

Capital Improvement Fund

Account for the acquisition or construction of major capital facilities, with exception to those facilities financed by proprietary and trust funds.

Glossary

Capital Improvement Program (CIP)

A plan for a capital expenditure to be incurred each year over a period of five or more future years setting forth each capital project, the amount to be expended in each year, and the method of facing those expenditures.

Cash Management

Management of cash necessary to pay for government services while investing temporary cash excesses in order to earn investment income. Includes forecasting inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in accordance with the City's investment policy objectives.

Charges for Service

Includes a wide variety of fees charged for services provided to the public and other agencies.

Comprehensive Plan

An official statement of the goals, objectives and physical plan for the development of the City. Contains a narrative of goals, objectives and policies that describe the desired form, nature and rate of City development.

Consumer Price Index

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted. Contingency may be appropriated for a specific purpose by the City Council up-

on the approval of a resolution. The City can separate contingencies into those that are designated for specific purposes and undesignated (also see Designated Contingency and Unappropriated Ending Fund Balance).

Debt Service

Principal and Interest on outstanding bonds due and payable during the fiscal year.

Debt Service Fund

Established to account for the accumulation of resources and for the payment of general obligation debt that have been approved by the voters. It would exclude Enterprise fund debt and contractual obligations accounted for in other individual funds.

Department

An organizational unit usually within a fund, though in a broader sense, a department can encompass more than one fund. Departments can further be segregated into Divisions.

Division

A functional unit within a department consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives.

Depreciation

Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

Designated Contingency

Amounts set aside for anticipated non-recurring cash flow needs. Includes items such as moving and remodeling, major building repairs, emergency management and capital project or equipment purchases.

Glossary

Employee Benefits

Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the government's share of costs for social security and the various pension, medical and life insurance plans.

Encumbrance

Amount of money committed and set aside, but not yet expended, for the purchases of goods or services.

Ending Fund Balance

The residual non-restricted funds that are spendable or available for appropriation after the end of the fiscal year, or during the fiscal year, if a state of emergency is declared by the Mayor.

Enterprise Fund

Established to account for operations, including debt service that are financed and operated similarly to private businesses—where the intent is the service is self-sufficient, with all costs supported predominantly by user charges.

Expenditures/Expenses

The type of accounts that record transactions for the cost of goods received or services rendered whether cash payments have been made or not. These accounts are called expenditures on the modified accrual basis of accounting and expenses on the accrual basis.

Fees

Charges for specific Service in connection with providing a service, permitting and activity or imposing a fine.

Fiscal Management

A government's directive with respect to revenues, spending, reserves and debt management as these relate to governmental services, programs and capital investment. Financial policy provides an agreed upon set of principles for the planning and programming of governmental budgets and its funding.

Fiscal Year

A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Bremerton's fiscal year is January 1 through December 31.

Franchise Fee

Charged to all utilities operating within the City and is a reimbursement to the General fund for the utility's use of City streets and right-of-ways.

Full-Time Equivalent (FTE)

An expression of staff in terms of full-time employment (40 hours per week). For example, a person who works 40 hours per week is described as 1 FTE and 20 hours per week as .50 FTE.

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities that are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance

The amount of an entity's assets above the amount of its liabilities. A negative fund bal-

Glossary

ance is sometimes called a deficit. An undesignated fund balance reflects historical receipts less than historical expenditures in non-proprietary funds. When all designated and reserved resources are removed or deducted in arriving at the year-end undesignated fund balance, the remaining value is that available for budgetary appropriation. Also called Ending Fund Balance.

General Fund

Accounts for all receipts and disbursement transactions associated with ordinary City operations not required to be accounted for in another fund. This fund is both tax and general revenue supported. Major revenue sources for the General Fund include property, sales, excise taxes, and miscellaneous permits and fees.

General Long-term Debt

Represents any unmatured debt not considered to be a fund liability. General Obligation Bonds (G.O. Bonds) are secured by the full faith and credit of the issuer. G.O. bonds issued by local units of government are secured by a pledge of the issuer's property taxing power. Usually issued to pay for general capital improvements such as parks and City facilities.

Governmental Funds

Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Grant

A contribution by one government unit to an-

other. The contribution is usually made to aid in the support of a specified function.

Infrastructure

Public domain capital assets such as roads, bridges, streets, sidewalks and similar assets that are immovable.

Indirect Charges

Administrative and overhead costs that are incurred in one area, but charged to another. These charges are budgeted as interfund transfers.

Interfund Transfers

Appropriation category used in the City's budget resolution which includes amounts distributed from one fund to pay for services provided by another fund. Transfers from the other funds are appropriated as expenditures.

Intergovernmental Revenues

Levied by one government but shared on a predetermined basis with another government or class of governments.

Interlocal Agreement

A contract between two government entities whereby one government assumes the lead responsibility of a project that overlaps both jurisdictions.

Internal Service Fund

Account for the financing of goods and services provided by one department or agency to other departments or agencies of government, or to other governments, on a cost reimbursement basis.

Levy

Gross amount of property taxes imposed on the assessed value of taxable property. The net amount received by a government will be

Glossary

less than the gross levy as a result of delinquent or uncollectible payments or early payment discounts. Budgets are developed on the basis of the projected amount of property taxes receivable.

Line Item Budget

References the individual account lines of budget, where proposed appropriations are based on individual objects of expense within a department or program.

Local Improvement District

Consists of a group property owners desiring improvements to their property. Bonds can be issued to finance these improvements, which are repaid by assessments on their property. Local Improvement District debt is paid for by a compulsory levy (special assessment) made against affected properties to spread out the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Modified Accrual Basis

The modified accrual basis of accounting is used in governmental funds (general, special revenue, debt service, and capital project funds), expendable trust, and agency funds. Under it, revenues and other financial resource increments are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are generally recognized when they are incurred. The City budgets all funds on a modified accrual basis.

Object

As used in expenditure classification, this term applies to the type of item purchased or the service obtained (as distinguished from the results obtained from expenditures). Examples include personnel services, contractual

services, and materials and supplies.

Operating Budget

The operating budget is the primary means by which most of the acquisition, spending, and service delivery activities of a government are controlled. Law requires the use of annual operating budgets.

Operating Transfer

Routine or recurring transfers of assets between funds that support the normal operations of the recipient fund.

Ordinance

A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it represents the full force and effect of the law within the boundaries of the municipality to which it applies.

Outstanding Debt

The balance due at any given time resulting from the borrowing of money or from the purchase of goods and services.

Personnel Benefits

Employer contributions paid by the City as part of the conditions of employment. Examples include health/dental/vision insurance, state public employee's retirement system, and employment security.

Property Tax

Based off of the assessed value of property times the permanent tax rate and are used as the source of monies to pay general obligation debt and core city services.

Proposed Budget

Glossary

Combines the operating, non-operating and reserve estimated prepared by the Mayor, then presented to the community and the Budget Committee for their review, approval, and recommendation to City Council.

Resource

Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

Revenue

Income received by the City in support of a program of services to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeitures, interest income, and miscellaneous revenue.

Revenue Bonds

Bonds payable from a pledged source of revenue such as water revenues, which does not also pledge the taxing authority of the City. Pledged revenues may be derived from operation of the financed projects, grants, utility revenues, or other specified revenue streams.

Services and Charges

An expenditure classification that includes professional services, communication, travel, advertising, rentals, leases, insurance, public utility services, and repairs and maintenance.

Special Assessment Bond

A bond issue payable from the payments on special assessments imposed against properties that have been specially benefited by the construction of public improvements such as sidewalks, streets, or sewer systems.

Special Revenue Funds

Accounts for the proceeds of revenue sources (other than special assessment, expendable

trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Supplemental Appropriation

An appropriation approved by Council after the initial budget is adopted.

Supplies

An expenditure classification for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas, inventory, resale items, small tools and equipment.

Taxes

Compulsory charges levied by taxing districts for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges, such as water service.

Tax Levy

The total amount of property taxes needed to pay for basic government operations as well as sufficient amounts to pay for principal and interest on voter-approved bond issues.

Tax Rate

The amount of tax levied for each \$1,000 of assessed valuation as determined by the Kitsap County Assessor's office.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

Glossary

Trust Funds

Established to administer resources received and held by the City as the trustee or agent for others. Uses of these funds facilitate the discharge of responsibility placed upon the City by virtue of law or other similar authority.

Unappropriated Ending Fund Balance

Represents the portion of the ending fund balance that is not appropriated to be spent in the current year. It must be segregated for future use and is not available for current appropriation or expenditure, except in the event when the Mayor declares an emergency.

User Fees

Charges for services to the specific entity who directly benefits. Often referred to as Charges for Service.

Glossary

BARS	Budget Accounting and Reporting System
BKAT	Bremerton Kitsap Access Television
BMC	Bremerton Municipal Code
BPOG	Bremerton Police Officers Guild
CAC	Citizens Advisory Committee
CDBG	Community Development Block Grant
CENCOM	Central Communications
COBRA	Consolidated Omnibus Budget Reconciliation Act
COLA	Cost of Living Adjustment
CPI	Consumer Price Index
CSO	Combined Sewer Overflow
DCD	Department of Community Development
DEA	Drug Enforcement Agency
DOE	Department of Ecology
DOH	Department of Health
EMS	Emergency Medical Services
EMT	Emergency Medical Technicians
EPA	Environmental Protection Agency
ERR	Equipment Rental Reserve
FMLA	Family and Medical Leave Act
GAAFR	Governmental Accounting, Auditing & Financial Reporting
GAAP	Generally Accepted Accounting Principles
GASB	Government Accounting Standards Board
GIS	Geographic Information Systems
GMA	Growth Management Act
HUD	Housing and Urban Development
IAFF	International Association of Fire Fighters
ILEADS	Intergraph Law Enforcement Automated Data Systems
IT	Information Technology
KPS	Kitsap Physicians Service
LEOFF	Law Enforcement Officers and Fire Fighters
LID	Low Impact Development

Acronyms

MGD	Million Gallons per Day
MIR	Medical Incident Report
MRSC	Municipal Research Service Center
NCIS	Naval Criminal Investigative Service
PERS	Public Employees Retirement System
PILOT	Payments In Lieu of Taxes
PSNS	Puget Sound Naval Shipyard
RCW	Revised Code of Washington
REET	Real Estate Excise Tax
RMAP	Road Maintenance and Abandonment Plan
SCADA	Supervisory Control and Data Acquisition
SCBA	Self Contained Breathing Apparatus
SOG	Special Operations Group
SSTA	Streamline Sales Tax Act
TIP	Transportation Improvement Plan
UGA	Urban Growth Areas
WAC	Washington Administrative Code
WESTNET	West Sound Narcotics Enforcement Team
WWTP	Wastewater Treatment Plan

Acronyms
